



**FLAGG-ROCHELLE COMMUNITY
PARK DISTRICT
ROCHELLE, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2020

SIKICH.COM

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ROCHELLE, ILLINOIS
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ROCHELLE, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Flagg-Rochelle Community Park District
Rochelle, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Flagg-Rochelle Community Park District (the District), as of and for the year ended April 30, 2020 and the related notes to financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Notes 1c and 1d; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 error or fraud.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Flagg-Rochelle Community Park District, as of April 30, 2020 and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting as described in Notes 1c and 1d.

Basis of Accounting

We draw attention to Notes 1c and 1d of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and the other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sikich LLP

Naperville, Illinois
September 1, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 2,257,983
Capital assets not being depreciated	16,825,418
Capital assets being depreciated (net of accumulated depreciation)	<u>4,020,678</u>
Total assets	<u>23,104,079</u>
DEFERRED OUTFLOWS OF RESOURCES	
None	<u>-</u>
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u>23,104,079</u>
LIABILITIES	
Other accrued liabilities	1,152
Bonds payable (short-term)	1,140,000
Long-term liabilities	
Due within one year	100,000
Due in more than one year	<u>14,407,297</u>
Total liabilities	<u>15,648,449</u>
DEFERRED INFLOWS OF RESOURCES	
None	<u>-</u>
Total deferred inflows of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u>15,648,449</u>
NET POSITION	
Net investment in capital assets	7,021,232
Restricted for	
Social Security	29,494
Liability insurance	79,761
Lighting and paving	43,549
Audit	5,009
Illinois Municipal Retirement Fund	78,160
Museum	3,692
Special recreation	25,958
Debt service	11,895
Unrestricted	<u>156,880</u>
TOTAL NET POSITION	<u><u>\$ 7,455,630</u></u>

See accompanying notes to financial statements.

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended April 30, 2020

	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Change in Net Position
					Governmental Activities
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT					
Governmental activities					
General government	\$ 161,689	\$ -	\$ 51	\$ -	\$ (161,638)
Recreation	1,360,898	196,097	4,692	283,914	(876,195)
Interest and fiscal charges	245,150	-	-	-	(245,150)
Total government activities	1,767,737	196,097	4,743	283,914	(1,282,983)
TOTAL PRIMARY GOVERNMENT	\$ 1,767,737	\$ 196,097	\$ 4,743	\$ 283,914	(1,282,983)
General revenues					
Taxes					
Property and replacement					
					1,629,906
Investment income					
					31,714
Miscellaneous					
					4,225
Total					
					1,665,845
CHANGE IN NET POSITION					382,862
NET POSITION, MAY 1					7,072,768
NET POSITION, APRIL 30					\$ 7,455,630

See accompanying notes to financial statements.

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

STATEMENT OF ASSETS, LIABILITIES, AND
FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

April 30, 2020

	General	Recreation	Debt Service
ASSETS			
Cash and investments	\$ 65,398	\$ 354,899	\$ 11,895
Due from other funds	-	-	-
TOTAL ASSETS	\$ 65,398	\$ 354,899	\$ 11,895
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Other accrued liabilities	\$ 1,152	\$ -	\$ -
Due to other funds	-	-	-
Bonds payable	-	-	-
Total liabilities	1,152	-	-
FUND BALANCES			
Nonspendable	-	-	-
Restricted			
Social Security	-	-	-
Liability insurance	-	-	-
Lighting and paving	-	-	-
Audit	-	-	-
Illinois Municipal Retirement Fund	-	-	-
Museum	-	-	-
Special recreation	-	-	-
Debt service	-	-	11,895
Capital projects	-	-	-
Unrestricted			
Assigned for recreation	-	354,899	-
Assigned for capital projects	-	-	-
Unassigned (Deficit)	64,246	-	-
Total fund balances (deficit)	64,246	354,899	11,895
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,398	\$ 354,899	\$ 11,895

Capital Projects	Community Center Capital	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,493,837	\$ -	\$ 331,954	\$ 2,257,983
188,069	-	-	188,069
\$ 1,681,906	\$ -	\$ 331,954	\$ 2,446,052
\$ -	\$ -	\$ -	\$ 1,152
-	188,069	-	188,069
1,140,000	-	-	1,140,000
1,140,000	188,069	-	1,329,221
-	-	66,331	66,331
-	-	29,494	29,494
-	-	79,761	79,761
-	-	43,549	43,549
-	-	5,009	5,009
-	-	78,160	78,160
-	-	3,692	3,692
-	-	25,958	25,958
-	-	-	11,895
175,136	-	-	175,136
-	-	-	354,899
366,770	-	-	366,770
-	(188,069)	-	(123,823)
541,906	(188,069)	331,954	1,116,831
\$ 1,681,906	\$ -	\$ 331,954	\$ 2,446,052

See accompanying notes to financial statements.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,116,831
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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 governmental funds	20,846,096
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Long-term liabilities are not due and payable in the current
period and, therefore, are not reported in the governmental
funds

Bonds payable	(14,000,000)
Unamortized bond premium	<u>(507,297)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 7,455,630</u></u>
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See accompanying notes to financial statements.

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2020

	General	Recreation	Debt Service
REVENUES COLLECTED			
Taxes	\$ 350,975	\$ 193,516	\$ 876,418
Charges for services	-	191,247	-
Rental income	-	4,850	-
Donations and grants	51	4,692	-
Investment income	3,761	3,896	2,625
Miscellaneous	4,225	-	-
Total revenues collected	359,012	398,201	879,043
EXPENDITURES PAID			
Current			
General government	106,284	-	-
Recreation	206,724	332,398	-
Capital outlay	-	-	-
Debt Service			
Principal retirement	-	-	860,000
Interest and fiscal charges	-	-	17,396
Total expenditures paid	313,008	332,398	877,396
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID	46,004	65,803	1,647
OTHER FINANCING SOURCES (USES)			
Transfers in	-	50,070	-
Transfers (out)	(50,070)	-	-
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
Total other financing sources (uses)	(50,070)	50,070	-
NET CHANGE IN FUND BALANCES	(4,066)	115,873	1,647
FUND BALANCES, MAY 1	68,312	239,026	10,248
FUND BALANCES (DEFICIT), APRIL 30	\$ 64,246	\$ 354,899	\$ 11,895

Capital Projects	Community Center Capital	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 208,997	\$ 1,629,906
-	-	-	191,247
-	-	-	4,850
233,914	50,000	-	288,657
12,755	6,021	2,656	31,714
-	-	-	4,225
246,669	56,021	211,653	2,150,599
-	-	55,405	161,689
237,583	-	205,478	982,183
407,864	14,403,533	-	14,811,397
-	-	-	860,000
-	227,754	-	245,150
645,447	14,631,287	260,883	17,060,419
(398,778)	(14,575,266)	(49,230)	(14,909,820)
-	(120,100)	-	(70,030)
120,100	-	-	70,030
-	14,000,000	-	14,000,000
-	507,297	-	507,297
120,100	14,387,197	-	14,507,297
(278,678)	(188,069)	(49,230)	(402,523)
820,584	-	381,184	1,519,354
\$ 541,906	\$ (188,069)	\$ 331,954	\$ 1,116,831

See accompanying notes to financial statements.

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (402,523)
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	14,731,378
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Some expenses on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds Depreciation	(298,696)
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The issuance of long-term debt is reported as an other financing source in the governmental funds but as an increase in principal outstanding in the statement of activities Bonds payable Premium on bonds payable	(14,000,000) (507,297)
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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	<u>860,000</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 382,862</u></u>
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See accompanying notes to financial statements.

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Flagg-Rochelle Community Park District, Rochelle, Illinois (the District) have been prepared using the modified cash basis and cash basis of accounting, which is a comprehensive basis of accounting, but which is not in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). 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 District's accounting policies are described below.

a. Reporting Entity

The District is a body corporate and politic established under Illinois Compiled Statutes (ILCS). The District operates under a Board-Manager form of government, providing recreation and other services to the residents of the City of Rochelle, which include: recreation programs, park management, capital development, and general administration. The District has a separately elected board. The District is considered to be a primary government as defined by GASB Statement No. 14 and No. 61, since it is legally separate and fiscally independent. The accompanying basic financial statements present the District only since the District does not have component units.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary. The District does not have any proprietary or fiduciary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed, or assigned monies (special revenue funds), the funds restricted, committed, or assigned for the acquisition or construction of capital assets (capital projects funds), the funds restricted for the servicing of governmental long-term debt (debt service funds), and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the District not accounted for in some other fund.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the modified cash basis statements of net position and activities) report information on all of the activities of the District. The effect of material interfund activity, other than interfund service transactions, 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 user fees and charges for support. The District does not have any business-type activities.

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 not properly included among program revenues are reported instead as general revenues.

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

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those accounted for in another fund.

The Recreation Fund, a special revenue fund, is used to account for revenue and expenditures related to recreation programs funded by a restricted tax levy and user fees.

The Debt Service Fund, which accounts for the accumulation of resources restricted, committed, or assigned for the payment of long-term debt principal and interest.

The Capital Projects Fund, which accounts for financial resources restricted, committed, or assigned for the acquisition or construction of major capital facilities, equipment, and capital asset replacements.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Community Center Capital Fund, which accounts for financial resources restricted, committed, or assigned for the acquisition or construction of the Community center.

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

The government-wide statements are prepared using the modified cash basis of accounting. The modified cash basis of accounting omits recognition of certain revenues and the related assets, such as taxes receivable, until received, rather than when earned. Also, certain expenditures and the related liabilities, such as accounts payable and accrued items, are recognized when paid, rather than when the obligation is incurred. The financial statements reflect assets and liabilities arising from cash transactions, revenues collected, inventory on hand, and expenditures/expenses paid. The modified cash basis also includes depreciation expense as well as long-term capital assets and capital related liabilities. The modified cash basis of accounting is a comprehensive basis of accounting other than GAAP.

The governmental fund financial statements are prepared using the cash basis of accounting. The cash basis of accounting recognizes revenues when received instead of when earned or when measurable and available, and expenditures when paid instead of when incurred. The cash basis of accounting is a comprehensive basis of accounting other than GAAP.

e. Cash and Investments

Investments with maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with maturity greater than one year at time of purchase, if any, are stated at fair value. The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District held no investments to measure at fair value at April 30, 2020.

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., bike trails, paths, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets (Continued)

\$1,000, tangible in nature and have an estimated useful life in excess of one year. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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. Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20-50
Buildings	20-40
Machinery and equipment	5-20
Spring Lake Facility	10-30

g. Long-Term Obligations

In the governmental activities column in the government-wide financial statements, capital long-term debt are reported as liabilities.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

h. Property Taxes

The District's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Taxes are due and collectible one-half in June and one-half in September of the following year. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they are received. Property taxes attach as an enforceable lien on property as of January 1.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Net Position/Fund Balances

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District.

Committed fund balance is constrained by formal actions of the District's Board of Commissioners, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Commissioners. The Board of Commissioners would also take action to modify or rescind committed fund balance, if applicable.

Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance remains with the Board of Commissioners. Any residual fund balance in the General Fund is reported as unassigned. Deficit fund balances in other governmental funds are also reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned and then unassigned funds.

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 District's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

j. Use of Estimates

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

ILCS and the District's investment policy authorize the District to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity, and yield.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name.

Investments

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District's investment policy prefers that all security transactions that are exposed to custodial credit risk are processed with the underlying investments held by a third-party custodian.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy requires the District to diversify its investments to the best of its ability based on the type of funds invested and the cash flow needs of those funds.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,301,984	\$ -	\$ -	\$ 2,301,984
Construction in progress	119,901	14,403,533	-	14,523,434
Total capital assets not being depreciated	2,421,885	14,403,533	-	16,825,418
Capital assets being depreciated				
Buildings	1,330,921	-	-	1,330,921
Land improvements	4,672,455	-	-	4,672,455
Machinery and equipment	1,028,933	327,845	53,134	1,303,644
Spring Lake facility	1,987,665	-	-	1,987,665
Total capital assets being depreciated	9,019,974	327,845	53,134	9,294,685
Less accumulated depreciation for				
Buildings	755,643	32,564	-	788,207
Land improvements	2,145,703	155,574	-	2,301,277
Machinery and equipment	797,153	63,195	53,134	807,214
Spring Lake facility	1,329,946	47,363	-	1,377,309
Total accumulated depreciation	5,028,445	298,696	53,134	5,274,007
Total capital assets being depreciated, net	3,991,529	29,149	-	4,020,678
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 6,413,414</u>	<u>\$ 14,432,682</u>	<u>\$ -</u>	<u>\$ 20,846,096</u>

Depreciation expense was charged to functions/programs of the District's governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
Recreation	<u>\$ 298,696</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 298,696</u></u>

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT

The following is a summary of changes in long-term debt for governmental activities for the year ended April 30, 2020:

	Fund Debt Retired By	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
Bonds Series 2019	Debt Service	\$ 860,000	\$ -	\$ 860,000	\$ -	\$ -
Bonds Series 2019A	Debt Service	-	6,000,000	-	6,000,000	100,000
Bonds Series 2019B	Debt Service	-	8,000,000	-	8,000,000	-
TOTAL		\$ 860,000	\$ 14,000,000	\$ 860,000	\$ 14,000,000	\$ 100,000

Debt Service to Maturity

The annual requirements to amortize to maturity serial debt outstanding as of April 30, 2020 are as follows:

Fiscal Year Ending April 30,	General Obligation Bonds	
	Principal	Interest
2021	\$ 100,000	\$ 761,755
2022	210,000	513,419
2023	220,000	505,019
2024	225,000	496,219
2025	235,000	487,219
2026-2030	2,820,000	2,120,594
2031-2035	3,530,000	1,417,894
2036-2040	4,130,000	805,469
2041-2045	2,530,000	251,875
TOTAL	\$ 14,000,000	\$ 7,359,463

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

General obligation bonds consist of the following:

	Purpose	Balance April 30	Current Portion
2019A Series Bonds, interest due in varying semiannual amounts, with final payment due January 1, 2040 semiannual interest at 3.125% to 5.000%.	Build and Equip Community Center	\$ 6,000,000	\$ 100,000
2019B Series Bonds, interest due in varying semiannual amounts with final payment due January 1, 2045 semiannual interest at 3.125% to 5.000%.	Build and Equip Community Center	8,000,000	-
TOTAL GENERAL OBLIGATION BONDS PAYABLE		\$ 14,000,000	\$ 100,000

Pledged Revenues

The 2019B series bonds have a pledged revenue source consisting of the proceeds received by the District from the issuance of its annual general obligation rollover bonds, as well as other funds of the District as lawfully available and annually appropriated for such payment. The remaining pledge as of April 30, 2020 was \$12,721,653 with a commitment end date of January 1, 2045. No pledge was required for the year ended April 30, 2020 as no principal or interest payments were due.

5. SHORT-TERM DEBT

General Obligation Limited Tax Park Bonds, Series 2018A

On February 4, 2020, the District issued \$700,000 of General Obligation Park Bonds, Series 2020A and \$440,000 Taxable General Obligation Park Bonds, Series 2020B. The bonds are due on January 1, 2021.

	Fund Debt Retired By	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
Bonds Series 2019	Debt Service	\$ -	\$ 700,000	\$ -	\$ 700,000	\$ 700,000
Bonds Series 2019B	Debt Service	-	440,000	-	440,000	440,000
TOTAL		\$ -	\$ 1,140,000	\$ -	\$ 1,140,000	\$ 1,140,000

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT

The District is a member of the Park District Risk Management Agency (PDRMA), a risk management pool of park and forest preserve districts and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. In the event losses exceeded the per occurrence self-insured and reinsurance limit, the District would be liable for the excess amount. PDRMA's Board of Directors evaluates the aggregate self-insured limit annually.

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

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, to cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

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

Since 98% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually as more recent loss information becomes available.

7. EMPLOYEE RETIREMENT SYSTEMS

Illinois Municipal Retirement Fund

The District's defined benefit pension plan (the Plan), IMRF, provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the Plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the Plan as a whole but not by individual employer. That report may be obtained at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	12
Active employees	<u>8</u>
TOTAL	<u><u>33</u></u>

Benefits

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the year ended April 30, 2020 was 3.10% of covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2019 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2019	\$ 1,702,010	\$ 1,873,475	\$ (171,465)
Changes for the period			
Service cost	30,676	-	30,676
Interest	120,159	-	120,159
Difference between expected and actual experience	49,194	-	49,194
Changes in assumptions	-	-	-
Employer contributions	-	12,440	(12,440)
Employee contributions	-	14,245	(14,245)
Net investment income	-	362,625	(362,625)
Benefit payments and refunds	(119,952)	(119,952)	-
Other (net transfer)	-	27,149	(27,149)
Net changes	80,077	296,507	(216,430)
BALANCES AT DECEMBER 31, 2019	\$ 1,782,087	\$ 2,169,982	\$ (387,895)

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2020, the District recognized pension expense of \$10,290.

At April 30, 2020, the deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 40,157	\$ -
Changes in assumption	7,415	-
Employer contributions after the measurement date	1,330	-
Net difference between projected and actual earnings on pension plan investments	-	97,764
TOTAL	\$ 48,902	\$ 97,764

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF apply to the following periods:

Fiscal Year Ending April 30,	
2021	\$ 12,818
2022	(25,608)
2023	8,437
2024	(45,839)
TOTAL	\$ (50,192)

The net pension asset and deferred outflows/inflows of resources are not reported on the District's financial statements on the modified cash basis of accounting as discussed in Note 1d.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ (195,411)	\$ (387,895)	\$ (545,846)

8. OTHER POSTEMPLOYMENT BENEFITS

The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, no retired employees have chosen to stay in the District's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the District had no former employees for whom the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any postemployment benefit liability as of April 30, 2020.

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Due from/to other funds at April 30, 2020 consisted of the following:

	Due From	Due To
Capital Projects	\$ -	\$ 188,069
Community Center Capital	188,069	-
TOTAL	<u>\$ 188,069</u>	<u>\$ 188,069</u>

All due from/to balances are to fund temporary cash shortfalls.

b. Interfund Transfers

Interfund transfers during the year ended April 30, 2020 consisted of the following:

	Transfer In	Transfer Out
General Fund	\$ -	\$ 50,070
Recreation Fund	50,070	-
Capital Projects Fund	120,100	-
Community Center Capital Fund	-	120,100
TOTAL	<u>\$ 170,170</u>	<u>\$ 170,170</u>

\$50,070 was transferred from the General Fund to the Recreation Fund to record a donation in the correct fund.

\$120,100 was transferred from the Community Center Capital Fund to the Capital Projects Fund to repay an interfund loan made during the year.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Taxes				
Property taxes	\$	260,000	\$ 258,020	\$ (1,980)
Personal property replacement tax		65,616	92,955	27,339
Donations and grants		-	51	51
Investment income		2,500	3,761	1,261
Miscellaneous		-	4,225	4,225
Total revenues collected		328,116	359,012	30,896
EXPENDITURES PAID				
Current				
General government	\$	261,669	237,881	106,284 (131,597)
Recreation		354,758	322,507	206,724 (115,783)
Total expenditures paid	\$	616,427	560,388	313,008 (247,380)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID				
		(232,272)	46,004	278,276
OTHER FINANCING SOURCES (USES)				
Transfers (out)		-	(50,070)	(50,070)
Total other financing sources (uses)		-	(50,070)	(50,070)
NET CHANGE IN FUND BALANCE				
	\$	(232,272)	(4,066)	\$ 228,206
FUND BALANCE, MAY 1				
			68,312	
FUND BALANCE, APRIL 30				
	\$		64,246	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 195,000	\$ 193,516	\$ (1,484)
Recreation program		90,300	104,420	14,120
Driving range		10,000	9,945	(55)
Spring Lake pool		80,195	76,882	(3,313)
Facility rental		29,000	4,850	(24,150)
Donations and grants		-	4,692	-
Investment income		2,500	3,896	1,396
Miscellaneous		2,500	-	(2,500)
Total revenues collected		409,495	398,201	(15,986)
EXPENDITURES PAID				
Current				
Recreation				
Recreation	\$ 274,465	254,215	195,213	(59,002)
Driving range	12,760	11,600	7,589	(4,011)
Spring Lake	163,405	150,550	129,596	(20,954)
Total expenditures paid	\$ 450,630	416,365	332,398	(83,967)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		(6,870)	65,803	67,981
OTHER FINANCING SOURCES (USES)				
Transfers in		-	50,070	50,070
Total other financing sources (uses)		-	50,070	50,070
NET CHANGE IN FUND BALANCE		\$ (6,870)	115,873	\$ 118,051
FUND BALANCE, MAY 1			239,026	
FUND BALANCE, APRIL 30			\$ 354,899	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
ADMINISTRATIVE				
Administration salaries	\$ 124,872	\$ 113,520	\$ 19,802	\$ (93,718)
Administration wages	5,513	5,012	9,531	4,519
Insurance and benefits	5,389	4,899	1,947	(2,952)
Legal fees and other professional services	61,160	55,600	34,891	(20,709)
Printing and postage	6,600	6,000	3,599	(2,401)
Technology services	30,250	27,500	13,645	(13,855)
Travel, staff training, and dues	17,050	15,500	14,725	(775)
Office supplies and equipment	5,335	4,850	2,898	(1,952)
Utilities	3,850	3,500	3,756	256
Telephone	1,650	1,500	1,490	(10)
Total administrative	261,669	237,881	106,284	(131,597)
MAINTENANCE DEPARTMENT				
Maintenance salaries	154,101	140,092	68,450	(71,642)
Maintenance wages	35,572	32,338	24,115	(8,223)
Insurance and benefits	40,477	36,797	14,220	(22,577)
Contractual maintenance	41,008	37,280	51,222	13,942
Equipment and supplies	26,730	24,300	13,604	(10,696)
Travel, staff training and dues	2,420	2,200	2,344	144
Janitorial services	18,150	16,500	13,096	(3,404)
Gas and oil	22,000	20,000	13,839	(6,161)
Utilities	14,300	13,000	5,834	(7,166)
Total maintenance department	354,758	322,507	206,724	(115,783)
TOTAL EXPENDITURES	\$ 616,427	\$ 560,388	\$ 313,008	\$ (247,380)

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
RECREATION FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
RECREATION				
Recreation salaries	\$ 74,781	\$ 67,983	\$ 60,220	(7,763)
Recreation wages	10,146	9,224	6,284	(2,940)
Insurance and benefits	9,200	8,364	7,517	(847)
Golf course	56,100	51,000	50,000	(1,000)
Printing and postage	6,600	6,000	1,414	(4,586)
Technology services	20,728	18,844	4,364	(14,480)
Advertising	6,050	5,500	2,707	(2,793)
Office supplies and equipment	2,200	2,000	1,091	(909)
Utilities	16,500	15,000	12,752	(2,248)
Facility expenses	11,550	15,200	7,367	(7,833)
Program expenses	60,610	55,100	41,497	(13,603)
Total recreation	274,465	254,215	195,213	(59,002)
DRIVING RANGE				
Driving range wages	10,560	9,600	6,240	(3,360)
Driving range expenses	2,200	2,000	1,349	(651)
Total driving range	12,760	11,600	7,589	(4,011)
SPRING LAKE				
Spring Lake wages	68,640	62,400	66,242	3,842
Contractual maintenance	15,400	14,000	5,463	(8,537)
Technology services	2,200	2,000	2,021	21
Staff training	3,850	3,500	2,333	(1,167)
Program expenses	15,345	15,950	10,650	(5,300)
Maintenance supplies	4,950	4,500	2,986	(1,514)
Office supplies and equipment	770	700	2,063	1,363
Utilities	38,500	35,000	18,533	(16,467)
Chemicals	13,750	12,500	19,305	6,805
Total spring lake	163,405	150,550	129,596	(20,954)
TOTAL EXPENDITURES	\$ 450,630	\$ 416,365	\$ 332,398	\$ (83,967)

(See independent auditor's report.)

FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended April 30, 2020

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES COLLECTED				
Property taxes		\$ 860,000	\$ 876,418	\$ 16,418
Investment income		1,200	2,625	1,425
Total revenues collected		861,200	879,043	17,843
EXPENDITURES PAID				
Debt Service				
Principal retirement	\$ 860,000	860,000	860,000	-
Interest and fiscal charges	17,400	17,400	17,396	(4)
Total expenditures paid	\$ 877,400	877,400	877,396	(4)
NET CHANGE IN FUND BALANCE				
		\$ (16,200)	1,647	\$ 17,847
FUND BALANCE, MAY 1				
			10,248	
FUND BALANCE, APRIL 30				
			\$ 11,895	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Investment income		\$ 7,000	\$ 12,755	\$ 5,755
Donations and grants		150,000	233,914	83,914
Total revenues collected		157,000	246,669	89,669
EXPENDITURES PAID				
Current				
Recreation				
Personal services	\$ -	-	202,119	202,119
Contractual services	-	-	35,464	35,464
Capital outlay	1,589,845	1,589,845	407,864	(1,181,981)
Total expenditures paid	\$ 1,589,845	1,589,845	645,447	(944,398)
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		(1,432,845)	(398,778)	1,034,067
OTHER FINANCING SOURCES (USES)				
Transfer in		-	120,100	120,100
Bonds issued		726,000	-	(726,000)
Total other financing sources (uses)		726,000	120,100	(605,900)
NET CHANGE IN FUND BALANCE		\$ (706,845)	(278,678)	\$ 428,167
FUND BALANCE, MAY 1			820,584	
FUND BALANCE, APRIL 30			\$ 541,906	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY CENTER CAPITAL FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Investment income		\$ -	\$ 6,021	\$ 6,021
Donations and grants		-	50,000	50,000
Total revenues collected		-	56,021	56,021
EXPENDITURES PAID				
Capital outlay	\$ 14,159,442	14,159,443	14,403,533	244,090
Debt service				
Interest and fiscal charges	227,754	227,754	227,754	-
Total expenditures paid	<u>\$ 14,387,196</u>	14,387,197	14,631,287	244,090
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		(14,387,197)	(14,575,266)	(188,069)
OTHER FINANCING SOURCES (USES)				
Transfer (out)	\$ (120,000)	(120,100)	(120,100)	-
Bonds issued	-	14,000,000	14,000,000	-
Premium on bonds issued	-	507,297	507,297	-
Total other financing sources (uses)	<u>\$ (120,000)</u>	14,387,197	14,387,197	-
NET CHANGE IN FUND BALANCE		<u>\$ -</u>	(188,069)	<u>\$ (188,069)</u>
FUND BALANCE, MAY 1			-	
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (188,069)</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF ASSETS, LIABILITIES, AND
FUND BALANCES ARISING FROM CASH TRANSACTIONS
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2020

	Social Security and Medicare (FICA)	Liability Insurance	Lighting and Paving	Audit	Illinois Municipal Retirement	Museum	Special Recreation	Working Cash	Total
ASSETS									
Cash and investments	\$ 29,494	\$ 79,761	\$ 43,549	\$ 5,009	\$ 78,160	\$ 3,692	\$ 25,958	\$ 66,331	\$ 331,954
TOTAL ASSETS	<u>\$ 29,494</u>	<u>\$ 79,761</u>	<u>\$ 43,549</u>	<u>\$ 5,009</u>	<u>\$ 78,160</u>	<u>\$ 3,692</u>	<u>\$ 25,958</u>	<u>\$ 66,331</u>	<u>\$ 331,954</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	66,331	66,331
Restricted									
Social Security	29,494	-	-	-	-	-	-	-	29,494
Liability insurance	-	79,761	-	-	-	-	-	-	79,761
Lighting and paving	-	-	43,549	-	-	-	-	-	43,549
Audit	-	-	-	5,009	-	-	-	-	5,009
Illinois Municipal Retirement Fund	-	-	-	-	78,160	-	-	-	78,160
Museum	-	-	-	-	-	3,692	-	-	3,692
Special recreation	-	-	-	-	-	-	25,958	-	25,958
Total fund balances	<u>29,494</u>	<u>79,761</u>	<u>43,549</u>	<u>5,009</u>	<u>78,160</u>	<u>3,692</u>	<u>25,958</u>	<u>66,331</u>	<u>331,954</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 29,494</u>	<u>\$ 79,761</u>	<u>\$ 43,549</u>	<u>\$ 5,009</u>	<u>\$ 78,160</u>	<u>\$ 3,692</u>	<u>\$ 25,958</u>	<u>\$ 66,331</u>	<u>\$ 331,954</u>

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2020

	Social Security and Medicare (FICA)	Liability Insurance	Lighting and Paving	Audit	Illinois Municipal Retirement	Museum	Special Recreation	Working Cash	Total
REVENUES COLLECTED									
Property taxes	\$ 34,961	\$ 9,986	\$ 12,901	\$ 9,986	\$ 9,986	\$ 27,969	\$ 103,208	\$ -	\$ 208,997
Interest income	391	775	133	124	331	268	501	133	2,656
Total revenues collected	35,352	10,761	13,034	10,110	10,317	28,237	103,709	133	211,653
EXPENDITURES PAID									
Current									
General government	2,181	29,901	13,144	9,500	679	-	-	-	55,405
Recreation	30,860	-	-	-	9,611	30,975	134,032	-	205,478
Total expenditures paid	33,041	29,901	13,144	9,500	10,290	30,975	134,032	-	260,883
NET CHANGE IN FUND BALANCES	2,311	(19,140)	(110)	610	27	(2,738)	(30,323)	133	(49,230)
FUND BALANCES, MAY 1	27,183	98,901	43,659	4,399	78,133	6,430	56,281	66,198	381,184
FUND BALANCES, APRIL 30	\$ 29,494	\$ 79,761	\$ 43,549	\$ 5,009	\$ 78,160	\$ 3,692	\$ 25,958	\$ 66,331	\$ 331,954

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY AND MEDICARE FUND (FICA)**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 35,000	\$ 34,961	\$ (39)
Investment income		300	391	91
Total revenues collected		35,300	35,352	52
EXPENDITURES PAID				
Current				
General government	\$ 2,668	2,426	2,181	(245)
Recreation	37,757	34,324	30,860	(3,464)
Total expenditures paid	<u>\$ 40,425</u>	36,750	33,041	(3,709)
NET CHANGE IN FUND BALANCE		<u>\$ (1,450)</u>	2,311	<u>\$ 3,761</u>
FUND BALANCE, MAY 1			<u>27,183</u>	
FUND BALANCE, APRIL 30			<u>\$ 29,494</u>	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIABILITY INSURANCE FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 10,000	\$ 9,986	\$ (14)
Investment income		750	775	25
Total revenues collected		10,750	10,761	11
EXPENDITURES PAID				
Current				
General government	\$ 49,500	45,000	29,901	(15,099)
Total expenditures paid	\$ 49,500	45,000	29,901	(15,099)
NET CHANGE IN FUND BALANCE		\$ (34,250)	(19,140)	\$ 15,110
FUND BALANCE, MAY 1			98,901	
FUND BALANCE, APRIL 30			\$ 79,761	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIGHTING AND PAVING FUND

For the Year Ended April 30, 2020

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES COLLECTED				
Property taxes		\$ 13,000	\$ 12,901	\$ (99)
Investment income		100	133	33
Total revenues collected		13,100	13,034	(66)
EXPENDITURES PAID				
Capital outlay	\$ 29,040	26,400	13,144	(13,256)
Total expenditures paid	<u>\$ 29,040</u>	<u>26,400</u>	<u>13,144</u>	<u>(13,256)</u>
NET CHANGE IN FUND BALANCE				
		<u>\$ (13,300)</u>	(110)	<u>\$ 13,190</u>
FUND BALANCE, MAY 1				
			<u>43,659</u>	
FUND BALANCE, APRIL 30				
			<u>\$ 43,549</u>	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AUDIT FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 10,000	\$ 9,986	\$ (14)
Investment income		100	124	24
Total revenues collected		10,100	10,110	10
EXPENDITURES PAID				
Current				
General government	\$ 9,350	8,500	9,500	1,000
Total expenditures paid	\$ 9,350	8,500	9,500	1,000
NET CHANGE IN FUND BALANCE		\$ 1,600	610	\$ (990)
FUND BALANCE, MAY 1			4,399	
FUND BALANCE, APRIL 30			\$ 5,009	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 10,000	\$ 9,986	\$ (14)
Investment income		300	331	31
Total revenues collected		10,300	10,317	17
EXPENDITURES PAID				
Current				
General government	\$ 1,162	1,056	679	(377)
Recreation	16,438	14,944	9,611	(5,333)
Total expenditures paid	<u>\$ 17,600</u>	16,000	10,290	(5,710)
NET CHANGE IN FUND BALANCE		<u>\$ (5,700)</u>	27	<u>\$ 5,727</u>
FUND BALANCE, MAY 1			<u>78,133</u>	
FUND BALANCE, APRIL 30			<u>\$ 78,160</u>	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MUSEUM FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 28,000	\$ 27,969	\$ (31)
Investment income		200	268	68
Total revenues collected		28,200	28,237	37
EXPENDITURES PAID				
Current				
Recreation	\$ 31,416	28,560	30,975	2,415
Total expenditures paid	\$ 31,416	28,560	30,975	2,415
NET CHANGE IN FUND BALANCE		\$ (360)	(2,738)	\$ (2,378)
FUND BALANCE, MAY 1			6,430	
FUND BALANCE, APRIL 30			\$ 3,692	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL RECREATION FUND**

For the Year Ended April 30, 2020

	Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 106,000	\$ 103,208	\$ (2,792)
Investment income		300	501	201
Total revenues collected		106,300	103,709	(2,591)
EXPENDITURES PAID				
Current				
Recreation	\$ 147,477	134,070	134,032	(38)
Total expenditures paid	\$ 147,477	134,070	134,032	(38)
NET CHANGE IN FUND BALANCE		<u>\$ (27,770)</u>	(30,323)	<u>\$ (2,553)</u>
FUND BALANCE, MAY 1			<u>56,281</u>	
FUND BALANCE, APRIL 30			<u>\$ 25,958</u>	

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2020

BUDGETS

Budgetary Data

The Board of Commissioners followed these procedures in establishing the budgetary data reflected in the financial statements. Prior to August 1 the Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means for financing. The budgetary operations of the District are governed by appropriation laws detailed in the Illinois Park District Code. Notice is given, and public meetings are conducted to obtain taxpayer comments. The Board of Commissioners may add to, subtract from, or change appropriations, but may not change the form of the budget. Prior to the end of the first quarter of each fiscal year, the budget is legally enacted through the passage of an annual combined budget and appropriation ordinance.

Budgets for the Governmental Funds of the District are legally adopted on a basis consistent with the modified cash basis of accounting. Expenditures may not legally exceed appropriations at the fund level. Any expenditures in excess of the legally adopted appropriation must be approved by the Board of Commissioners through a supplemental appropriation. No supplemental appropriations were required during fiscal year 2020.

After the first six months of any fiscal year, the Board of Commissioners may, by a two-thirds vote, amend the initially approved appropriation ordinance. Unused appropriations lapse at the end of the fiscal year. Expenditures legally may not exceed the total of appropriations and beginning fund balance at the fund level.

Management can make transfers between individual expenditure categories of a fund (i.e., services, utilities, etc.) for up to 10% of the budgeted amount. However, Board of Commissioners approval is required in order for management to make transfers between different funds.

A budget is not adopted for the working cash fund.

The following funds had expenditures greater than the appropriation for the year ended April 30, 2020:

Fund	Actual Expenditures	Appropriation
Community Center Capital	\$ 14,631,287	\$ 14,387,197
Audit	9,500	9,350

OTHER INFORMATION

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Last Five Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 22,781	\$ 22,532	\$ 16,591	\$ 12,073	\$ 10,290
Contributions in relation to the actuarially determined contribution	22,781	22,532	16,591	12,073	10,290
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 322,304	\$ 334,477	\$ 297,132	\$ 292,666	\$ 331,913
Contributions as a percentage of covered payroll	7.07%	6.74%	5.58%	4.13%	3.10%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 24 years until the remaining period reaches ten years (then ten-year rolling period); the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually, and price inflation of 2.50%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT
ROCHELLE, ILLINOIS**

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 40,750	\$ 36,228	\$ 31,822	\$ 30,606	\$ 30,676
Interest	117,428	118,156	117,044	114,442	120,159
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(30,928)	(49,923)	(1,440)	68,560	49,194
Changes of assumptions	-	-	(59,797)	39,541	-
Benefit payments, including refunds of member contributions	(116,349)	(114,215)	(119,967)	(123,460)	(119,952)
Net change in total pension liability	10,901	(9,754)	(32,338)	129,689	80,077
Total pension liability - beginning	1,603,512	1,614,413	1,604,659	1,572,321	1,702,010
TOTAL PENSION LIABILITY - ENDING	\$ 1,614,413	\$ 1,604,659	\$ 1,572,321	\$ 1,702,010	\$ 1,782,087
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 22,969	\$ 23,871	\$ 18,433	\$ 12,474	\$ 12,440
Contributions - member	14,517	15,456	13,487	13,334	14,245
Net investment income	8,867	121,659	329,903	(120,241)	362,625
Benefit payments, including refunds of member contributions	(116,349)	(114,215)	(119,967)	(123,460)	(119,952)
Other	15,961	24,368	(34,886)	54,501	27,149
Net change in plan fiduciary net position	(54,035)	71,139	206,970	(163,392)	296,507
Plan fiduciary net position - beginning	1,812,793	1,758,758	1,829,897	2,036,867	1,873,475
PLAN FIDUCIARY NET POSITION - ENDING	\$ 1,758,758	\$ 1,829,897	\$ 2,036,867	\$ 1,873,475	\$ 2,169,982
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (144,345)	\$ (225,238)	\$ (464,546)	\$ (171,465)	\$ (387,895)
Plan fiduciary net position as a percentage of the total pension liability (asset)	108.90%	114.00%	129.50%	110.10%	121.80%
Covered payroll	\$ 322,597	\$ 343,473	\$ 299,726	\$ 296,320	\$ 316,560
Employer's net pension liability (asset) as a percentage of covered payroll	(44.70%)	(65.60%)	(155.00%)	(57.90%)	(122.50%)

Assumption Changes:

2015 - changes in assumptions related to investment rate of return, retirement age, and mortality rates.

2016 - changes in assumptions related to retirement age and mortality rates.

2017 - changes in assumptions related to inflation rates, salary rates, and mortality rates.

2018 - changes in assumptions related to the investment rate of return

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)