

**Flagg-Rochelle Community Park District
Rochelle, Illinois
Annual Financial Report
For The Year Ended April 30, 2016**

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For The Year Ended April 30, 2016

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INDEPENDENT AUDITORS' REPORT

To The Board of Commissioners
Flagg-Rochelle Community Park District
Rochelle, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Flagg-Rochelle Community Park District as of and for the year ended April 30, 2016, and the related notes to financial statements which collectively comprise the District's basic financial statements, as listed in the table of contents. Management has chosen to present the financial statements on the modified cash basis of accounting.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Flagg-Rochelle Community Park District, as of April 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Basis of Accounting

We draw attention to Note 1 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 opinion is not modified with respect to the matter.

Other Matters

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and certain pension disclosures be presented to supplement the basic financial statements. Such information, although not a required 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 regarding 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. The management of Flagg-Rochelle Community Park District has not prepared the management's discussion and analysis for the year ending April 30, 2016.

The major fund budgetary comparison schedules listed on the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. This Other Information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ending April 30, 2016 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Flagg-Rochelle Community Park District's basic financial statements. The combining and individual fund financial schedules for the year ended April 30, 2016 listed in the table of contents 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 financial statements. The combining and individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended April 30, 2016 and are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

September 6, 2016
Darien, Illinois

Knuttle & Associates, P.C.

Flagg-Rochelle Community Park District
Statement of Net Position - Modified Cash Basis
April 30, 2016

	Governmental Activities
ASSETS	
Cash	\$ 1,826,506
Capital Assets	
Capital Assets Not Being Depreciated	2,301,984
Other Capital Assets, Net of Depreciation	<u>2,388,256</u>
Total Capital Assets	<u>4,690,240</u>
TOTAL ASSETS	<u>6,516,746</u>
DEFERRED OUTFLOWS	<u>0</u>
LIABILITIES	
Due Within One Year	
Capital Lease Obligation	22,995
Bonds Payable	800,000
Due in More Than One Year	
Capital Lease Obligation	<u>22,995</u>
TOTAL LIABILITIES	<u>845,990</u>
DEFERRED INFLOWS	<u>0</u>
NET POSITION	
Net Investment in Capital Assets	5,037,485
Permanently Restricted - Working Cash	65,833
Temporarily Restricted	
Debt Service	12,483
Other Special Tax-Levied Funds	264,012
Unrestricted Amounts	<u>290,943</u>
TOTAL NET POSITION	<u><u>\$ 5,670,756</u></u>

See Accompanying Notes To The Financial Statements.

Flagg-Rochelle Community Park District
Statement of Activities - Modified Cash Basis
For the Year Ended April 30, 2016

	Expenses	Program Revenues		Net (Expenses)
		Charges For Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
FUNCTIONS/PROGRAMS				
Governmental Activities				
General Government	\$ 1,079,188	\$ 0	\$ 0	\$ (1,079,188)
Recreation	397,344	208,821	0	(188,523)
Interest on Long Term Debt	20,228	0	0	(20,228)
Total Governmental Activities	\$ 1,496,760	\$ 208,821	0	(1,287,939)
GENERAL REVENUES				
Taxes				
Property				1,492,989
Replacement				79,898
Interest Income				4,193
Other				16,342
TOTAL GENERAL REVENUES				1,593,422
EFFECT OF CHANGE IN ACCOUNTING METHOD				
76,739				
CHANGE IN NET POSITION				
382,222				
NET POSITION				
BEGINNING OF YEAR, RESTATED				
5,288,534				
END OF YEAR				
\$ 5,670,756				

See Accompanying Notes To The Financial Statements.

Flagg-Rochelle Community Park District
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis
Governmental Funds
April 30, 2016

	General	Recreation	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 180,080	\$ 110,863	\$ 12,483	\$ 1,193,235	\$ 329,845	\$ 1,826,506
Due from Other Funds	5,633	0	0	0	0	5,633
TOTAL ASSETS	<u>185,713</u>	<u>110,863</u>	<u>12,483</u>	<u>1,193,235</u>	<u>329,845</u>	<u>1,832,139</u>
DEFERRED OUTFLOWS						
	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>185,713</u>	<u>110,863</u>	<u>12,483</u>	<u>1,193,235</u>	<u>329,845</u>	<u>1,832,139</u>
LIABILITIES						
Due to Other Funds	0	0	0	0	5,633	5,633
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,633</u>	<u>5,633</u>
DEFERRED INFLOWS						
	0	0	0	0	0	0
FUND BALANCES						
Non-Spendable	0	0	0	0	65,833	65,833
Restricted	0	0	12,483	0	264,012	276,495
Assigned	0	110,863	0	1,193,235	0	1,304,098
Unassigned	185,713	0	0	0	(5,633)	180,080
TOTAL FUND BALANCES	<u>185,713</u>	<u>110,863</u>	<u>12,483</u>	<u>1,193,235</u>	<u>324,212</u>	<u>1,826,506</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 185,713</u>	<u>\$ 110,863</u>	<u>\$ 12,483</u>	<u>\$ 1,193,235</u>	<u>\$ 329,845</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Bonds Payable are not reported as liabilities in the fund financial statements.	(800,000)
Capital Lease Obligation is not reported as a liability in the fund financial statements.	(45,990)
Capital Assets used in governmental funds are not financial resources and therefore are not reported in the funds.	4,690,240
NET POSITION OF GOVERNMENTAL FUNDS	<u>\$ 5,670,756</u>

See Accompanying Notes To The Financial Statements.

Flagg-Rochelle Community Park District
Statement of Revenues Received, Expenditures Disbursed and
Changes in Fund Balances - Governmental Funds
For The Year Ended April 30, 2016

	General	Recreation	Debt Service	Capital Projects	Other Governmental Funds	TOTAL
REVENUES						
Property Taxes	\$ 239,933	\$ 179,950	\$ 830,100	\$ 0	\$ 243,006	\$ 1,492,989
Replacement Taxes	79,898	0	0	0	0	79,898
Recreation Program	0	208,821	0	0	0	208,821
Interest	623	998	463	1,517	592	4,193
Other	14,365	105	0	0	1,872	16,342
TOTAL REVENUES	334,819	389,874	830,563	1,517	245,470	1,802,243
EXPENDITURES						
Administration	342,390	0	0	0	0	342,390
Recreation Program	0	397,344	0	0	0	397,344
FICA	0	0	0	0	36,843	36,843
Liability Insurance	0	0	0	0	84,856	84,856
Lighting and Paving	0	0	0	0	5,523	5,523
Audit	0	0	0	0	33,506	33,506
Municipal Retirement	0	0	0	0	22,788	22,788
Museum	0	0	0	0	25,437	25,437
Debt Service: Principal	0	0	800,000	0	0	800,000
Debt Service: Interest	0	0	20,228	0	0	20,228
Capital Improvements	0	0	0	613,111	0	613,111
TOTAL EXPENDITURES	342,390	397,344	820,228	613,111	208,953	2,382,026
EXCESS (DEFICIENCY) OF						
REVENUES OVER EXPENDITURES	(7,571)	(7,470)	10,335	(611,594)	36,517	(579,783)
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	0	0	0	800,000	0	800,000
Issuance of Capital Lease	0	0	0	68,985	0	68,985
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	868,985	0	868,985
EFFECT OF CHANGE IN ACCOUNTING						
METHOD	7,548	(14,555)	0	48,370	(2,487)	38,876
NET CHANGE IN FUND BALANCES	(23)	(22,025)	10,335	305,761	34,030	328,078
FUND BALANCES,						
BEGINNING OF YEAR	185,736	132,888	2,148	887,474	290,182	1,498,428
END OF YEAR	\$ 185,713	\$ 110,863	\$ 12,483	\$ 1,193,235	\$ 324,212	\$ 1,826,506

See Accompanying Notes To The Financial Statements.

Flagg-Rochelle Community Park District
Reconciliation of the Statement of Revenues Received, Expenditures Disbursed
and Changes in Fund Balances - Governmental Funds to the Statement
of Activities - Modified Cash Basis
For The Year Ended April 30, 2016

Net Change in Fund Balances - Total Governmental Funds - Modified Cash Basis (Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances)	\$ 328,078
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation of Capital Assets is not considered an expenditure in the fund financial statements	(235,107)
Purchase of Capital Assets is considered an expenditure in the fund financial statements.	297,378
Issuance of Capital Lease Obligations are considered an other financing source in the fund financial statements	(68,985)
Payments of Capital Lease Obligations are considered an expenditure in the fund financial statements	22,995
Proceeds from the issuance of bonds are considered an other financing source in the fund financial statements	(800,000)
Payments of bond principal are treated as an expenditure in the fund financial statements	800,000
Effect of the Change in Accounting Method differs in the fund financial statement due to the difference in the basis of presentation.	<u>37,863</u>
Change in Net Position of Governmental Activities - Modified Cash Basis (Statement of Activities)	<u><u>\$ 382,222</u></u>

See Accompanying Notes To The Financial Statements.

Flagg-Rochelle Community Park District
Notes To The Financial Statements
For Year Ended April 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Flagg-Rochelle Park District is located in Ogle County, Illinois. The District operates under a President-Commissioner form of government and provides services as authorized by its charter. The District provides services to citizens within a small residential area, substantially all of whom are local residents. For financial reporting purposes the District includes all funds, agencies and boards that are responsible to the District's Board of Commissioners. Responsibility to the Board of Commissioners was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the District, and obligation of the District to finance any deficits that may occur or receipt of significant subsidies from the District. Even though there are other local governmental agencies within the geographic area served by the District, such as the local school district and municipality, these agencies have been excluded from this report because they are legally separate and the District is not financially accountable for them.

A. Reporting Entity

The Park District follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Park District has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the Park District is not required to be included as a component unit of any other entity.

Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity", is an amendment of GASB Statements No. 14 and No. 39, which does not have impact on the current year financial statements.

B. Basis of Presentation

GOVERNMENT -WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Park District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets and deferred outflows, liabilities and deferred inflows, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type and
- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds (Governmental Activities)

Governmental fund types are those through which most governmental functions of the Park District are financed. The Park District's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the Park District's governmental funds follows:

General Fund

The General Fund is the general operating fund of the Park District. It is used to account for and report all financial resources not accounted for or reported in another fund.

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Funds included in this fund category are:

Recreation	Audit
Social Security and Medicare (FICA)	Illinois Municipal Retirement
Liability Insurance	Museum
Lighting and Paving	

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets, excluding those types of capital related outflows financed by proprietary funds.

MAJOR FUNDS

The Park District reports the following major governmental funds:

- The General Fund, which accounts for the park district's primary operating activities.
- The Recreation Fund, which accounts for the operations of the recreation programs offered to residents. Financing is provided by a specific annual property tax levy to the extent user charges are not sufficient to provide such financing.
- The Debt Service Fund, which accounts for the payment of long-term debt principal, interest and related costs.
- The Capital Projects Fund, which accounts for park development and improvement projects.

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

NON-MAJOR FUNDS

The Park District reports the following non-major governmental funds:

- Social Security and Medicare Fund (FICA)
- Liability Insurance Fund
- Lighting and Paving Fund
- Audit
- Illinois Municipal Retirement Fund
- Museum

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures (or expenses) and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting also refers to the timing of the measurements made, regardless of the measurement focus applied. The government-wide Statement of Net Position and Statement of Activities were both prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The fund financial statements were prepared on the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when collected and expenditures are recognized when paid. Furthermore, only assets, liabilities, and fund balances arising from cash transactions are recognized. Accordingly, recognition of receivables, payables, and other accrued or deferred items is not applicable. The difference between the modified cash basis of accounting and the cash basis of accounting is that the former includes capital assets and long-term debt, which the latter does not.

Standards established by Generally Accepted Auditing Standards (GAAS) require GAAP for governmental units. Conformance with GAAP would require the financial statements to be prepared on the accrual or modified accrual basis of accounting. Accordingly, these financial statements are not intended to present the financial position and results of operations in conformity with GAAP.

D. Measurement Focus

On the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the flow of economic resources measurement focus, which means all assets, deferred outflows, liabilities (whether current or non-current), and deferred inflows are included on the Statement of Net Position and the operating statements present increases and decreases in net position.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting, is used as appropriate.

Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus (Continued)

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

F. Budgetary Data

The budget for all Governmental Funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. For each fund, total fund expenditures disbursed may not legally exceed the appropriated amounts. The budget lapses at the end of each fiscal year.

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

- District officers and departments present their budgeted expenditures to the trustees.
- After the requests are approved, they are integrated into a preliminary budget along with the budgeted receipts and proposed property tax levies.
- The preliminary budget is then presented to the District Board of Commissioners for approval.
- After the preliminary budget has been made available to the public for the required amount of time, the District Board of Commissioners formally adopts the final budget.

G. Budget Basis of Accounting

The budget for all Governmental Funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting.

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

I. Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements. The Park District has adopted a capitalization threshold of \$1,000.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land Improvements	20 Years
Construction	20 to 50 Years
Machinery & Equipment	5 to 20 Years
Vehicles	8 Years

FUND FINANCIAL STATEMENTS

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlays in the fund from which the expenditure was made. Public domain (infrastructure) assets consisting of roads, curbs and gutters, sidewalks, drainage systems, and lighting systems are not capitalized in the fund financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not included as capitalized.

J. Debt Commitments

In the government-wide financial statements, debt principal payments of governmental activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Taxes

The Park 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 not later than the last Tuesday in December of each year. Taxes are due and collectible one-half on June 1st and one-half on September 1st of the following year. Property taxes attach as an enforceable lien on property as of January 1.

L. Inventories

Inventories for all funds and activities are expensed at the time of purchase.

M. Equity Classifications

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

- Net Investment in capital assets – consists of capital assets, net of accumulated depreciation and related debt, if applicable.
- Restricted Amounts – consists of amounts with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Amounts – consists of all other amounts that do not meet the definition of restricted or invested in capital assets.

FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. The components of fund balance are:

- Non-spendable – consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.
- Restricted – consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed – consists of resources constrained (issuance of an ordinance) to specific purposes by a government itself, using its highest level of decision-making authority, the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned – amounts that are constrained by the Board of Commissioners' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board of Commissioners itself or (b) a body or official to which the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Commissioners, which is authorized to assign amounts to a specific purpose.

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Equity Classifications (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

- Unassigned – consists of the residual net resources of a fund that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

The Park 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. If different levels of unrestricted funds are available for spending, the Park District considers committed funds to be expended first followed by assigned and, lastly, unassigned funds.

Fund	General	Recreation	Debt Service	Capital Projects	Non-Major Funds	Total
Non-spendable						
Working Cash						
Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65,833	65,833
Restricted						
Debt Service	0	0	12,483	0	0	12,483
FICA	0	0	0	0	34,099	34,099
Liability Insurance	0	0	0	0	130,154	130,154
Lighting and Paving	0	0	0	0	13,222	13,222
IMRF	0	0	0	0	78,839	78,839
Museum	0	0	0	0	7,698	7,698
Assigned						
Recreation	0	110,863	0	0	0	110,863
Capital Projects	0	0	0	1,193,235	0	1,193,235
Unassigned	185,713	0	0	0	(5,633)	180,080
	<u>\$ 185,713</u>	<u>\$ 110,863</u>	<u>\$ 12,483</u>	<u>\$ 1,193,235</u>	<u>\$ 324,212</u>	<u>\$ 1,826,506</u>

N. GASB Pronouncements

As of April 1, 2012, the District has implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position.

As of April 1, 2012, the District has implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities". The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Statement also recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets and liabilities.

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Bank Deposits

At April 30, 2016, the carrying amount of the Park District's deposits was \$1,826,506 and the bank balance was \$1,890,666. The deposits are categorized in accordance with risk factors created by governmental reporting standards. The following table categorizes the Park District's cash according to levels of risk.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category #1	\$ 1,826,506	\$ 1,890,666
Category #2	0	0
Category #3	0	0
	<u>\$ 1,826,506</u>	<u>\$ 1,890,666</u>

Category 1 includes deposits covered by depository insurance or collateral held by the Park District in the Park District's name.

Category 2 includes deposits covered by collateral held by the financial institution's trust department in the Park District's name.

Category 3 includes deposits which are uncollateralized or the collateral is held by the financial institution's trust department but not in the Park District's name.

B. Policies for Investments

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.

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 of all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name.

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.

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 3 - CAPITAL ASSETS

Capital Asset activity for the year ended April 30, 2016 follows. Depreciation expense charged for the recreation function was \$235,107.

	Balance Capital Assets May 1, 2015	Additions	Dispositions	Balance Capital Assets April 30, 2016
Governmental Activities				
Capital Assets, Not Subject to Depreciation				
Land	\$ 2,301,984	\$ 0	\$ 0	\$ 2,301,984
Total Not Subject to Depreciation	<u>2,301,984</u>	<u>0</u>	<u>0</u>	<u>2,301,984</u>
Subject to Depreciation				
Land Improvements	2,840,858	78,780	0	2,919,638
Buildings	1,138,371	137,961	0	1,276,332
Machinery and Equipment	1,143,388	80,637	0	1,224,025
Spring Lake Facility	1,533,310	0	0	1,533,310
Total Subject to Depreciation	<u>6,655,927</u>	<u>297,378</u>	<u>0</u>	<u>6,953,305</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,564,285)	(112,338)	0	(1,676,623)
Buildings	(621,018)	(35,027)	0	(656,045)
Machinery and Equipment	(945,770)	(63,201)	0	(1,008,971)
Spring Lake Facility	(1,198,869)	(24,541)	0	(1,223,410)
Total Accumulated Depreciation	<u>(4,329,942)</u>	<u>(235,107)</u>	<u>0</u>	<u>(4,565,049)</u>
Net Capital Assets, Subject to Depreciation	<u>2,325,985</u>	<u>62,271</u>	<u>0</u>	<u>2,388,256</u>
Net Capital Assets	<u>\$ 4,627,969</u>	<u>\$ 62,271</u>	<u>\$ 0</u>	<u>\$ 4,690,240</u>

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

At April 30, 2016, the District had the following interfund receivables/payables. The interfund activity represents activity among the various funds for operating purposes.

Fund	Due from	Due to
Major Funds - Governmental		
General	\$ 5,633	\$ 0
Audit	0	5,633
	<u>\$ 5,633</u>	<u>\$ 5,633</u>

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 5 – DEBT COMMITMENTS

A. Bonded Debt

The following is a summary of long-term debt transactions for the year ended April 30, 2016.

	Balance May 1, 2015	New Issues	Debt Retired	Balance April 30, 2016	Amount Due Within One Year
General Obligation Bonds					
2015 Issue	\$ 800,000	\$ 0	\$ 800,000	\$ 0	\$ 0
2016 Issue	0	800,000	0	800,000	800,000
Total Debt	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>

A general obligation bond dated January 28, 2016 provides for retirement of principal of \$800,000 on January 1, 2017. Interest is payable on January 1 at a rate of 1.5%.

At April 30, 2016 the debt service maturity on outstanding debt is as follows:

Fiscal Year	Principal	Interest	Total
2017	800,000	12,000	812,000
	<u>\$ 800,000</u>	<u>\$ 12,000</u>	<u>\$ 812,000</u>

B. Other Financing Sources

In April 2015, the Park District entered into a loan agreement with PNC Equipment Finance, LLC. The proceeds of this loan were used to purchase a new mower. The loan has an original principal balance of \$68,985, non-interest bearing and is payable in annual payments of \$22,995 beginning May 1, 2015 and ending May 1, 2017. As of April 30, 2016 a summary of Installment Notes Payable is as follows:

	Balance May 1, 2015	New Debt	Principal Paid	Balance April 30, 2016	Amount Due Within One Year
Installment Note Payable	\$ 0	\$ 68,985	\$ 22,995	\$ 45,990	\$ 22,995
Total Debt	<u>\$ 0</u>	<u>\$ 68,985</u>	<u>\$ 22,995</u>	<u>\$ 45,990</u>	<u>\$ 22,995</u>

Annual debt service requirements to maturity for installment contracts payable, including interest, are as follows:

Fiscal Year	Principal	Interest	Total
2017	\$ 22,995	\$ 0	\$ 22,995
2018	22,995	0	22,995
Total	<u>\$ 45,990</u>	<u>\$ 0</u>	<u>\$ 45,990</u>

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 6 - EXPENDITURES OVER BUDGET

For the year ended April 30, 2016, the audit fund had \$33,506 in expenditures compared to a budgeted amount of \$27,500.

NOTE 7 - DEFICIT FUND BALANCES

As of April 30, 2016, the following fund has a deficit fund balance:

Fund	April 30, 2016
Audit	\$ 5,633

NOTE 8 - SUBSEQUENT EVENTS

The date to which events occurring after April 30, 2016, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is September 6, 2016, the date the financial statements were available to be issued.

NOTE 9 - RISK MANAGEMENT

The Park District is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses.

The Flagg-Rochelle Community Park District is a member of IPARKS, a self insurance pool initiated by the Illinois Association of Park Districts. The IPARKS program is designed to provide Illinois Association of Park District member agencies with those coverages necessary to properly protect their assets. The relationship with IPARKS is governed by an intergovernmental cooperative contract, which specifies how the contribution (premium) dollars are handled, how members join and withdraw and the roles of the board of directors and the administrator. The following table is a summary of insurance coverage in effect at April 30, 2016:

Legal Liability - Third Party Claims		
\$ 5,000,000		Per Occurrence of Bodily Injury, Property Damage, Personal Injury, and Advertising Liability.
\$ 5,000		Per Person for Premises Medical Payments
	Included	Legal Liability - Real & Personal
	Included	Day Care/Pre-School Sexual Abuse Liability
	N/A	Law Enforcement Operations
\$ 3,000,000		Per Occurrence of Employee Benefit Liability. \$1,000 Deductible.
\$ 2,500		Each Claim of Broad Legal Defense
\$ 5,000		Aggregate Claim of Broad Legal Defense
\$ 3,000		Aggregate of Moral Obligation to Pay
\$ 1,000,000		Aggregate of Cyber Liability

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 9 - RISK MANAGEMENT (CONTINUED)

Wrongful Acts Coverage		
\$	5,000,000	Limit of Liability Per Occurance
\$	2,500	Deductible Each Claim
Property and Inland Marine Coverage		
\$	5,039,800	Total Real Property Limits
\$	59,200	Total Personal Property Limits
\$	57,646	Total Miscellaneous Property
\$	5,099,000	Boiler and Machinery - <i>Power Generating Equipment Excluded</i>
\$	100,000	Boiler and Machinery Extra Expense - <i>Power Generating Equipment Excluded</i>

NOTE 10 – Change in Accounting Method

The Park District began reporting on the modified cash basis as of May 1, 2015. This required a prior period adjustment of \$76,739 in the government-wide statements and \$38,876 in the fund financial statements.

NOTE 11 – PENSION PLAN COMMITMENT

Plan Description. The employer’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 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Park District Regular plan members are required to contribute 4.50 percent 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 employer annual required contribution rate for calendar year 2015 was 7.12 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For calendar year ending December 31, 2015, the Park District’s actual contributions for pension cost for the Regular were \$22,969.

As of May 1, 2015, the District has implemented GASB Statement No. 68 “Accounting and Financial Reporting for Pensions” which is an amendment of GASB Statement No. 27. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 11 – PENSION PLAN COMMITMENT (CONTINUED)

In accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB No. 27", the following information is provided.

Actuarial Valuation Date	December 31, 2015
Measurement Date of the Net Pension Liability	December 31, 2015
Fiscal Year End	April 30, 2016

Membership

Number of	
- Retirees and Beneficiaries	13
- Inactive, Non-Retired Members	12
- Active Members	7
- Total	<u>32</u>

Covered Valuation Payroll	<u>\$ 322,597</u>
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Net Pension Liability

Total Pension Liability/(Asset)	\$ 1,614,413
Plan Fiduciary Net Position	<u>1,758,758</u>

Net Pension Liability/(Asset)	<u>\$ (144,345)</u>
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Plan Fiduciary Net Position as a Percentage of total Pension liability	108.94%
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Net Pension Liability as a Percentage of Covered Valuation Payroll	-44.74%
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Development of the Single Discount Rate as of December 31, 2014

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.57%
Last year December 31 in the 2016 to 2115 projection period for which projected benefit payments are fully funded	2115
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate Calculated using December 31, 2014 Measurement Date	7.50%

Total Pension Expense/(Income)	<u>\$ 9,724</u>
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(to be recognized in Future Pension Expenses)

	Outflows of Resources	Inflows of Resources
1. Difference between expected and actual experience	\$ 0	\$ 21,606
2. Assumption Changes	0	0
3. Net Difference between projected and actual earnings on pension plan investments	<u>99,787</u>	<u>0</u>
4. Total	<u>\$ 99,787</u>	<u>\$ 21,606</u>

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 11 – PENSION PLAN COMMITMENT (CONTINUED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD

Calendar Year Ended December 31, 2015

A. Total pension liability		
1. Service cost	\$	40,750
2. Interest on the total pension liability		117,428
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the total pension liability		(30,928)
5. Changes of assumptions		0
6. Benefit payments, including refunds of employee contributions		(116,349)
7. Net change in total pension liability		10,901
8. Total pension liability – beginning		1,603,512
9. Total pension liability – ending	\$	<u>1,614,413</u>
B. Plan fiduciary net position		
1. Contributions – employer	\$	22,969
2. Contributions – employee		14,517
3. Net investment income		8,867
4. Benefit payments, including refunds of employee contributions		(116,349)
5. Other (net transfer)		15,961
6. Net change in plan fiduciary net position		(54,035)
7. Plan fiduciary net position – beginning		1,812,793
8. Plan fiduciary net position – ending	\$	<u>1,758,758</u>
C. Net pension liability/(asset)	\$	<u>(144,345)</u>
D. Plan fiduciary net position as a percentage of the total pension liability		108.94%
E. Covered Valuation Payroll	\$	322,597
F. Net pension liability as a percentage of covered valuation payroll		-44.74%

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 11 – PENSION PLAN COMMITMENT (CONTINUED)

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY

Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates:

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	3.50%
Price Inflation	2.75%
Salary Increases	3.75% to 14.5%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). the IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality table applying the same adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

There were no benefit changes during the year.

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 11 – PENSION PLAN COMMITMENT (CONTINUED)

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Total Pension Liability and 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): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years s elected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives , the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
<u>Other Information:</u>	There were no benefit changes during the year.

**Flagg-Rochelle Community Park District
Notes To The Financial Statements (Continued)
For Year Ended April 30, 2016**

NOTE 11 – PENSION PLAN COMMITMENT (CONTINUED)

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR 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) 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 this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.50%.

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE
SINGLE DISCOUNT RATE ASSUMPTION

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 1,811,821	\$ 1,614,413	\$ 1,450,975
Plan Fiduciary Net Position	1,758,758	1,758,758	1,758,758
Net Pension Liability/(Asset)	<u>\$ 53,063</u>	<u>\$ (144,345)</u>	<u>\$ (307,783)</u>

Flagg-Rochelle Community Park District
IMRF Pension Disclosures
For Year Ended April 30, 2016

In accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – An amendment of GASB Statement No. 27", the financial statements of employers also include required supplementary information showing the 10-year fiscal history of:

- Sources of changes in the net pension liability
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll, and
- Comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Last 10 Plan Years (As Available)

Plan Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 22,969	* \$ 22,969	\$ 0	\$ 322,597	7.12%

* Estimated based on contribution rate of 7.12% and covered valuation payroll of \$322,597.

**Flagg-Rochelle Community Park District
IMRF Pension Disclosures (Continued)
For Year Ended April 30, 2016**

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Plan Years (When Available)

Plan Year Ending December 31,	2015
Total pension liability	
Service cost	40,750
Interest on the total pension liability	117,428
Changes of benefit terms	0
Difference between expected and actual experience of the total pension liability	(30,928)
Changes of assumptions	0
Benefit payments, including refunds of employee contributions	(116,349)
Net change in total pension liability	10,901
Total pension liability— beginning	1,603,512
Total pension liability – ending	<u>\$ 1,614,413</u>
Plan fiduciary net position	
Contributions – employer	\$ 22,969
Contributions – employee	14,517
Net investment income	8,867
Benefit payments, including refunds of employee contributions	(116,349)
Other (net transfer)	15,961
Net change in plan fiduciary net position	(54,035)
Plan fiduciary net position Beginning	1,812,793
Ending	<u>\$ 1,758,758</u>
Net pension liability/(asset)	<u>\$ (144,345)</u>
Plan fiduciary net position as a percent of the total pension liability	108.94%
Covered Valuation Payroll	\$ 322,597
Net pension liability as a percent of covered valuation payroll	-44.74%

**Flagg-Rochelle Community Park District
 General Fund
 Budgetary Comparison Schedule
 For The Year Ended April 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 248,000	\$ 248,000	\$ 239,933	\$ (8,067)
Replacement Taxes	60,000	60,000	79,898	19,898
Interest	250	250	623	373
Other	9,000	9,000	14,365	5,365
TOTAL REVENUES	<u>317,250</u>	<u>317,250</u>	<u>334,819</u>	<u>17,569</u>
EXPENDITURES				
Administrative	131,074	131,074	132,445	(1,371)
Park and Facility	227,535	227,535	209,945	17,590
TOTAL EXPENDITURES	<u>358,609</u>	<u>358,609</u>	<u>342,390</u>	<u>16,219</u>
EFFECT OF CHANGE IN ACCOUNTING METHOD	<u>0</u>	<u>0</u>	<u>7,548</u>	<u>7,548</u>
NET CHANGE IN FUND BALANCE	<u>\$ (41,359)</u>	<u>\$ (41,359)</u>	<u>(23)</u>	<u>\$ 41,336</u>
BEGINNING OF YEAR			<u>185,736</u>	
END OF YEAR			<u>\$ 185,713</u>	

**Flagg-Rochelle Community Park District
Recreation Fund
Budgetary Comparison Schedule
For The Year Ended April 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 180,000	\$ 180,000	\$ 179,950	\$ 50
Recreation Revenue	83,335	83,335	208,821	125,486
Interest	200	200	998	798
Other	2,000	2,000	105	(1,895)
TOTAL REVENUES	<u>265,535</u>	<u>265,535</u>	<u>389,874</u>	<u>124,339</u>
EXPENDITURES				
Recreation	305,428	305,428	233,840	71,588
Spring Lake	115,115	115,115	155,198	(40,083)
Driving Range	8,800	8,800	8,306	494
TOTAL EXPENDITURES	<u>429,343</u>	<u>429,343</u>	<u>397,344</u>	<u>31,999</u>
EFFECT OF CHANGE IN ACCOUNTING METHOD	<u>0</u>	<u>0</u>	<u>(14,555)</u>	<u>14,555</u>
NET CHANGE IN FUND BALANCE	<u>\$ (163,808)</u>	<u>\$ (163,808)</u>	<u>(22,025)</u>	<u>141,783</u>
FUND BALANCE, BEGINNING OF YEAR			<u>132,888</u>	
END OF YEAR			<u>\$ 110,863</u>	

**Flagg-Rochelle Community Park District
 General Fund
 Schedule of Expenditures - Budget and Actual
 For The Year Ended April 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
ADMINISTRATIVE				
Admin/Clerical Salaries	69,309	69,309	76,039	(6,730)
Office Expenses	61,765	61,765	56,406	5,359
TOTAL ADMINISTRATIVE	<u>131,074</u>	<u>131,074</u>	<u>132,445</u>	<u>(1,371)</u>
PARK AND FACILITY EXPENSE				
Maintenance Salaries	130,900	130,900	137,342	(6,442)
Utilities	16,500	16,500	21,011	(4,511)
General Supplies	54,835	54,835	33,072	21,763
Fuel	25,080	25,080	16,840	8,240
Miscellaneous	220	220	1,680	(1,460)
TOTAL PARK AND FACILITY EXPENSE	<u>227,535</u>	<u>227,535</u>	<u>209,945</u>	<u>17,590</u>
TOTAL EXPENDITURES	<u>\$ 358,609</u>	<u>\$ 358,609</u>	<u>\$ 342,390</u>	<u>\$ 16,219</u>

Flagg-Rochelle Community Park District
Recreation Fund
Schedule of Expenditures - Budget and Actual
For The Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
RECREATION				
Program	\$ 26,400	26,400	29,654	(3,254)
Salaries	225,568	225,568	155,741	69,827
Supplies	53,460	53,460	48,445	5,015
TOTAL RECREATION	<u>305,428</u>	<u>305,428</u>	<u>233,840</u>	<u>71,588</u>
SPRING LAKE				
Salaries	60,830	60,830	95,859	(35,029)
Utilities	27,170	27,170	29,126	(1,956)
Supplies	27,115	27,115	30,213	(3,098)
TOTAL SPRING LAKE	<u>115,115</u>	<u>115,115</u>	<u>155,198</u>	<u>(40,083)</u>
DRIVING RANGE				
Salaries	6,600	6,600	6,730	(130)
Supplies	2,200	2,200	1,576	624
TOTAL DRIVING RANGE	<u>8,800</u>	<u>8,800</u>	<u>8,306</u>	<u>494</u>
TOTAL EXPENDITURES	<u>\$ 429,343</u>	<u>\$ 429,343</u>	<u>\$ 397,344</u>	<u>\$ 31,999</u>

Flagg-Rochelle Community Park District
Debt Service Fund
Schedule of Receipts, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 774,000	\$ 774,000	\$ 830,100	\$ 56,100
Interest	500	500	463	(37)
TOTAL REVENUES	<u>774,500</u>	<u>774,500</u>	<u>830,563</u>	<u>56,063</u>
EXPENDITURES				
Debt Service - Principal	800,000	800,000	800,000	0
Debt Service - Interest	45,861	45,861	20,228	25,633
TOTAL EXPENDITURES	<u>845,861</u>	<u>845,861</u>	<u>820,228</u>	<u>25,633</u>
NET CHANGE IN FUND BALANCE	<u>\$ (71,361)</u>	<u>\$ (71,361)</u>	10,335	<u>\$ 81,696</u>
FUND BALANCE, BEGINNING OF YEAR			<u>2,148</u>	
END OF YEAR			<u>\$ 12,483</u>	

**Flagg-Rochelle Community Park District
Capital Projects Fund
Schedule of Receipts, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended April 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest	\$ 100	\$ 100	\$ 1,517	\$ 1,417
TOTAL REVENUES	<u>100</u>	<u>100</u>	<u>1,517</u>	<u>1,417</u>
EXPENDITURES				
Capital Improvements	880,000	880,000	613,111	266,889
TOTAL EXPENDITURES	<u>880,000</u>	<u>880,000</u>	<u>613,111</u>	<u>266,889</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(879,900)	(879,900)	(611,594)	268,306
OTHER FINANCING SOURCES				
Issuance of Debt	750,000	750,000	800,000	50,000
Issuance of Capital Lease	0	0	68,985	68,985
TOTAL OTHER FINANCING SOURCES	<u>750,000</u>	<u>750,000</u>	<u>868,985</u>	<u>118,985</u>
EFFECT OF CHANGE IN ACCOUNTING METHOD	0	0	48,370	(48,370)
NET CHANGE IN FUND BALANCE	<u>\$ (129,900)</u>	<u>\$ (129,900)</u>	<u>305,761</u>	<u>435,661</u>
FUND BALANCE, BEGINNING OF YEAR			<u>887,474</u>	
END OF YEAR			<u>\$ 1,193,235</u>	

Flagg-Rochelle Community Park District
Non-Major Funds
Combining Schedule of Assets, Liabilities and Fund Balances - Modified Cash Basis
April 30, 2016

	Special Revenue Funds					Permanent Funds		
	FICA	Liability Insurance	Lighting and Paving	Audit	IMRF	Museum	Working Cash	Total
ASSETS								
Cash	\$ 34,099	\$ 130,154	\$ 13,222	\$ 0	\$ 78,839	\$ 7,698	\$ 65,833	\$ 329,845
TOTAL ASSETS	<u>34,099</u>	<u>130,154</u>	<u>13,222</u>	<u>0</u>	<u>78,839</u>	<u>7,698</u>	<u>65,833</u>	<u>329,845</u>
DEFERRED OUTFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>34,099</u>	<u>130,154</u>	<u>13,222</u>	<u>0</u>	<u>78,839</u>	<u>7,698</u>	<u>65,833</u>	<u>329,845</u>
LIABILITIES								
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,633</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,633</u>
TOTAL LIABILITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,633</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,633</u>
DEFERRED INFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES (DEFICITS)								
Nonspendable	0	0	0	0	0	0	65,833	65,833
Restricted	34,099	130,154	13,222	0	78,839	7,698	0	264,012
Unassigned	0	0	0	(5,633)	0	0	0	(5,633)
TOTAL FUND BALANCES	<u>34,099</u>	<u>130,154</u>	<u>13,222</u>	<u>(5,633)</u>	<u>78,839</u>	<u>7,698</u>	<u>65,833</u>	<u>324,212</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, FUND BALANCES (DEFICITS)	<u>\$ 34,099</u>	<u>\$ 130,154</u>	<u>\$ 13,222</u>	<u>\$ 0</u>	<u>\$ 78,839</u>	<u>\$ 7,698</u>	<u>\$ 65,833</u>	<u>\$ 329,845</u>

**Flagg-Rochelle Community Park District
Non-Major Governmental Funds
Combining Schedule of Revenues Received, Expenditures Disbursed and Changes in Fund Balances (Deficits)
For The Year Ended April 30, 2016**

	Special Revenue Funds						Permanent Funds	Total
	FICA	Liability Insurance	Lighting and Paving	Audit	IMRF	Museum	Working Cash	
REVENUES								
Property Taxes	\$ 23,994	\$ 120,016	\$ 10,005	\$ 11,996	\$ 50,002	\$ 26,993	\$ 0	\$ 243,006
Interest	86	216	27	29	114	41	79	592
Other	0	1,872	0	0	0	0	0	1,872
TOTAL REVENUES	24,080	122,104	10,032	12,025	50,116	27,034	79	245,470
EXPENDITURES								
FICA	36,843	0	0	0	0	0	0	36,843
Liability Insurance	0	84,856	0	0	0	0	0	84,856
Lighting and Paving	0	0	5,523	0	0	0	0	5,523
Audit	0	0	0	33,506	0	0	0	33,506
IMRF	0	0	0	0	22,788	0	0	22,788
Museum	0	0	0	0	0	25,437	0	25,437
TOTAL EXPENDITURES	36,843	84,856	5,523	33,506	22,788	25,437	0	208,953
EFFECT OF CHANGE IN ACCOUNTING METHOD	0	(2,487)	0	0	0	0	0	(2,487)
NET CHANGE IN FUND BALANCES	(12,763)	34,761	4,509	(21,481)	27,328	1,597	79	34,030
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	46,862	95,393	8,713	15,848	51,511	6,101	65,754	290,182
END OF YEAR	\$ 34,099	\$ 130,154	\$ 13,222	\$ (5,633)	\$ 78,839	\$ 7,698	\$ 65,833	\$ 324,212

**Flagg-Rochelle Community Park District
Social Security and Medicare Fund (FICA)
Schedule of Receipts, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended April 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 38,900	\$ 38,900	\$ 23,994	\$ (14,906)
Interest	100	100	86	(14)
TOTAL REVENUES	<u>39,000</u>	<u>39,000</u>	<u>24,080</u>	<u>(14,920)</u>
EXPENDITURES				
FICA	<u>38,280</u>	<u>38,280</u>	<u>36,843</u>	<u>1,437</u>
TOTAL EXPENDITURES	<u>38,280</u>	<u>38,280</u>	<u>36,843</u>	<u>1,437</u>
NET CHANGE IN FUND BALANCE	<u>\$ 720</u>	<u>\$ 720</u>	<u>(12,763)</u>	<u>\$ (13,483)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>46,862</u>	
END OF YEAR			<u>\$ 34,099</u>	

Flagg-Rochelle Community Park District
Liability Insurance Fund
Schedule of Receipts, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 175,000	\$ 175,000	\$ 120,016	\$ (54,984)
Interest	50	50	216	166
Other	0	0	1,872	1,872
TOTAL REVENUES	<u>175,050</u>	<u>175,050</u>	<u>122,104</u>	<u>(52,946)</u>
EXPENDITURES				
Liability Insurance	<u>110,000</u>	<u>110,000</u>	<u>84,856</u>	<u>25,144</u>
TOTAL EXPENDITURES	<u>110,000</u>	<u>110,000</u>	<u>84,856</u>	<u>25,144</u>
EFFECT OF CHANGE IN ACCOUNTING METHOD	<u>0</u>	<u>0</u>	<u>(2,487)</u>	<u>(2,487)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 65,050</u>	<u>\$ 65,050</u>	<u>34,761</u>	<u>\$ (30,289)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>95,393</u>	
END OF YEAR			<u>\$ 130,154</u>	

Flagg-Rochelle Community Park District
Lighting and Paving Fund
Schedule of Receipts, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 10,000	\$ 10,000	\$ 10,005	\$ 5
Interest	10	10	27	17
TOTAL REVENUES	<u>10,010</u>	<u>10,010</u>	<u>10,032</u>	<u>22</u>
EXPENDITURES				
Lighting and Paving	<u>11,000</u>	<u>11,000</u>	<u>5,523</u>	<u>5,477</u>
TOTAL EXPENDITURES	<u>11,000</u>	<u>11,000</u>	<u>5,523</u>	<u>5,477</u>
NET CHANGE IN FUND BALANCE	<u>\$ (990)</u>	<u>\$ (990)</u>	4,509	<u>\$ 5,499</u>
FUND BALANCE, BEGINNING OF YEAR			<u>8,713</u>	
END OF YEAR			<u>\$ 13,222</u>	

Flagg-Rochelle Community Park District
Audit Fund
Schedule of Receipts, Expenditures and Changes in Fund Balance (Deficit)
Budget and Actual
For The Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 12,417	\$ 12,417	\$ 11,996	\$ 421
Interest	50	50	29	(21)
TOTAL REVENUES	<u>12,467</u>	<u>12,467</u>	<u>12,025</u>	<u>400</u>
EXPENDITURES				
Audit	<u>27,500</u>	<u>27,500</u>	<u>33,506</u>	<u>(6,006)</u>
TOTAL EXPENDITURES	<u>27,500</u>	<u>27,500</u>	<u>33,506</u>	<u>(6,006)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (15,033)</u>	<u>\$ (15,033)</u>	<u>(21,481)</u>	<u>\$ (6,448)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			<u>15,848</u>	
END OF YEAR			<u>\$ (5,633)</u>	

**Flagg-Rochelle Community Park District
 Illinois Municipal Retirement Fund
 Schedule of Receipts, Expenditures and Changes in Fund Balance
 Budget and Actual
 For The Year Ended April 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 42,000	\$ 42,000	\$ 50,002	\$ 8,002
Interest	50	50	114	64
TOTAL REVENUES	<u>42,050</u>	<u>42,050</u>	<u>50,116</u>	<u>8,066</u>
EXPENDITURES				
Municipal Retirement	26,400	26,400	22,788	3,612
TOTAL EXPENDITURES	<u>26,400</u>	<u>26,400</u>	<u>22,788</u>	<u>3,612</u>
NET CHANGE IN FUND BALANCE	<u>\$ 15,650</u>	<u>\$ 15,650</u>	27,328	<u>\$ 11,678</u>
FUND BALANCE, BEGINNING OF YEAR			<u>51,511</u>	
END OF YEAR			<u>\$ 78,839</u>	

Flagg-Rochelle Community Park District
Museum Fund
Schedule of Receipts, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 25,000	\$ 25,000	\$ 26,993	\$ 1,993
Interest	0	0	41	41
TOTAL REVENUES	<u>25,000</u>	<u>25,000</u>	<u>27,034</u>	<u>2,034</u>
EXPENDITURES				
Museum	<u>27,500</u>	<u>27,500</u>	<u>25,437</u>	<u>2,063</u>
TOTAL EXPENDITURES	<u>27,500</u>	<u>27,500</u>	<u>25,437</u>	<u>2,063</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	1,597	<u>\$ 4,097</u>
FUND BALANCE, BEGINNING OF YEAR			<u>6,101</u>	
END OF YEAR			<u>\$ 7,698</u>	

Flagg-Rochelle Community Park District
Working Cash Fund
Schedule of Receipts, Expenditures and Changes in Fund Balance
Budget and Actual
For The Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ 0	\$ 0	\$ 79	\$ 79
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>79</u>	<u>79</u>
EXPENDITURES				
Working Cash	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	79	<u>\$ 79</u>
FUND BALANCE, BEGINNING OF YEAR			<u>65,754</u>	
END OF YEAR			<u>\$ 65,833</u>	