



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

---

**ANNUAL FINANCIAL REPORT**

**For the Year Ended April 30, 2021**



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**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT**  
**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, 2021 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, 2021 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  
October 11, 2021

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

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

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

April 30, 2021

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>ASSETS</b>   |                                    |
| Cash and investments  | \$ 2,816,237                       |
| Capital assets not being depreciated                                  | 16,959,048                         |
| Capital assets being depreciated (net of<br>accumulated depreciation) | <u>3,839,973</u>                   |
| Total assets  | <u>23,615,258</u>                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                 |                                    |
| None  | <u>-</u>                           |
| Total deferred outflows of resources                                  | <u>-</u>                           |
| Total assets and deferred outflows of resources                       | <u>23,615,258</u>                  |
| <b>LIABILITIES</b>  |                                    |
| Other accrued liabilities   | 21,736                             |
| Bonds payable (short-term)  | 1,075,000                          |
| Long-term liabilities   |                                    |
| Due within one year   | 210,000                            |
| Due in more than one year   | <u>14,174,183</u>                  |
| Total liabilities   | <u>15,480,919</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                                    |
| None  | <u>-</u>                           |
| Total deferred inflows of resources                                   | <u>-</u>                           |
| Total liabilities and deferred inflows of resources                   | <u>15,480,919</u>                  |
| <b>NET POSITION</b>   |                                    |
| Net investment in capital assets                                      | 6,414,838                          |
| Restricted for  |                                    |
| Social Security   | 28,630                             |
| Liability insurance   | 62,603                             |
| Lighting and paving   | 52,667                             |
| Audit   | 6,192                              |
| Illinois Municipal Retirement Fund                                    | 89,756                             |
| Museum  | 3,729                              |
| Special recreation  | 24,260                             |
| Capital projects  | 1,067,534                          |
| Unrestricted  | <u>384,130</u>                     |
| <b>TOTAL NET POSITION</b>   | <u><u>\$ 8,134,339</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, 2021

|                                 | Program Revenues    |                         |  |  | Net (Expense)                            |
|---------------------------------|---------------------|-------------------------|--|--|--|
|                                 | Expenses            | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Revenue and<br>Change in<br>Net Position |
| <b>FUNCTIONS/PROGRAMS</b>       |                     |                         |  |  |  |
| <b>PRIMARY GOVERNMENT</b>       |                     |                         |  |  |  |
| Governmental activities         |                     |                         |  |  |  |
| General government              | \$ 142,344          | \$ -                    | \$ 15,000                                | \$ -                                   | \$ (127,344)                             |
| Recreation                      | 1,327,494           | 308,762                 | 53,726                                   | 600                                    | (964,406)                                |
| Interest and fiscal charges     | 760,261             | -                       | -  | -                                      | (760,261)                                |
| Total government activities     | 2,230,099           | 308,762                 | 68,726                                   | 600                                    | (1,852,011)                              |
| <b>TOTAL PRIMARY GOVERNMENT</b> | <u>\$ 2,230,099</u> | <u>\$ 308,762</u>       | <u>\$ 68,726</u>                         | <u>\$ 600</u>                          | <u>(1,852,011)</u>                       |
|                                 |                     |                         |  |  |  |
|                                 |                     |                         | General revenues                         |  |  |
|                                 |                     |                         | Taxes                                    |  |  |
|                                 |                     |                         | Property and replacement                 |  | 2,350,214                                |
|                                 |                     |                         | Investment income                        |  | 41,212                                   |
|                                 |                     |                         | Miscellaneous                            |  | 8,086                                    |
|                                 |                     |                         | Total                                    |  | <u>2,399,512</u>                         |
|                                 |                     |                         | CHANGE IN NET POSITION                   |  | 547,501                                  |
|                                 |                     |                         | NET POSITION, MAY 1                      |  | <u>7,586,838</u>                         |
|                                 |                     |                         | NET POSITION, APRIL 30                   |  | <u>\$ 8,134,339</u>                      |

See accompanying notes to financial statements.



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

STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE  
ARISING FROM CASH TRANSACTIONS  
GOVERNMENTAL FUNDS

April 30, 2021

|  | General           | Recreation        | Debt<br>Service  |
|--|-------------------|-------------------|------------------|
| <b>ASSETS</b>                              |                   |                   |                  |
| Cash and investments                       | \$ 196,125        | \$ 143,391        | \$ -             |
| Due from other funds                       | -                 | 433,213           | -                |
| <b>TOTAL ASSETS</b>                        | <b>\$ 196,125</b> | <b>\$ 576,604</b> | <b>\$ -</b>      |
| <b>LIABILITIES AND FUND BALANCES</b>       |                   |                   |                  |
| <b>LIABILITIES</b>                         |                   |                   |                  |
| Other accrued liabilities                  | \$ 3,600          | \$ 18,136         | \$ -             |
| Due to other funds                         | -                 | -                 | 433,213          |
| Bonds payable                              | -                 | -                 | -                |
| <b>Total liabilities</b>                   | <b>3,600</b>      | <b>18,136</b>     | <b>433,213</b>   |
| <b>FUND BALANCES</b>                       |                   |                   |                  |
| Nonspendable                               | -                 | -                 | -                |
| Restricted                                 |                   |                   |                  |
| Social Security                            | -                 | -                 | -                |
| Liability insurance                        | -                 | -                 | -                |
| Lighting and paving                        | -                 | -                 | -                |
| Audit                                      | -                 | -                 | -                |
| Illinois Municipal Retirement Fund         | -                 | -                 | -                |
| Museum                                     | -                 | -                 | -                |
| Special recreation                         | -                 | -                 | -                |
| Capital projects                           | -                 | -                 | -                |
| Unrestricted                               |                   |                   |                  |
| Assigned for recreation                    | -                 | 558,468           | -                |
| Unassigned (deficit)                       | 192,525           | -                 | (433,213)        |
| <b>Total fund balances (deficit)</b>       | <b>192,525</b>    | <b>558,468</b>    | <b>(433,213)</b> |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 196,125</b> | <b>\$ 576,604</b> | <b>\$ -</b>      |

(This statement is continued on the following page.)

| <b>Capital<br/>Projects</b> | <b>Community<br/>Center<br/>Capital</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------|---|--|---|
| \$ 1,828,337                | \$ 314,197                              | \$ 334,187                                 | \$ 2,816,237                            |
| -                           | -                                       | -  | 433,213                                 |
| <u>\$ 1,828,337</u>         | <u>\$ 314,197</u>                       | <u>\$ 334,187</u>                          | <u>\$ 3,249,450</u>                     |
|                             |   |  |   |
| \$ -                        | \$ -                                    | \$ -                                       | \$ 21,736                               |
| -                           | -                                       | -  | 433,213                                 |
| 1,075,000                   | -                                       | -  | 1,075,000                               |
| <u>1,075,000</u>            | <u>-</u>                                | <u>-</u>                                   | <u>1,529,949</u>                        |
|                             |   |  |   |
| -                           | -                                       | 66,350                                     | 66,350                                  |
| -                           | -                                       | 28,630                                     | 28,630                                  |
| -                           | -                                       | 62,603                                     | 62,603                                  |
| -                           | -                                       | 52,667                                     | 52,667                                  |
| -                           | -                                       | 6,192                                      | 6,192                                   |
| -                           | -                                       | 89,756                                     | 89,756                                  |
| -                           | -                                       | 3,729                                      | 3,729                                   |
| -                           | -                                       | 24,260                                     | 24,260                                  |
| 753,337                     | 314,197                                 | -  | 1,067,534                               |
| -                           | -                                       | -  | 558,468                                 |
| -                           | -                                       | -  | (240,688)                               |
| <u>753,337</u>              | <u>314,197</u>                          | <u>334,187</u>                             | <u>1,719,501</u>                        |
| <u>\$ 1,828,337</u>         | <u>\$ 314,197</u>                       | <u>\$ 334,187</u>                          | <u>\$ 3,249,450</u>                     |

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, 2021

---

|  |              |
|--|--------------|
| <b>FUND BALANCES OF GOVERNMENTAL FUNDS</b> | \$ 1,719,501 |
|--|--------------|

Amounts reported for governmental activities in the statement  
of net position are different because:

|   |            |
|---|------------|
| Capital assets used in governmental activities are not financial<br>resources and, therefore, are not reported in the governmental<br>funds | 20,799,021 |
|---|------------|

Long-term liabilities are not due and payable in the current  
period and, therefore, are not reported in the governmental  
funds

|                          |                  |
|--------------------------|------------------|
| Bonds payable            | (13,900,000)     |
| Unamortized bond premium | <u>(484,183)</u> |

|  |                            |
|--|----------------------------|
| <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b> | <u><u>\$ 8,134,339</u></u> |
|--|----------------------------|

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, 2021

|   | <b>General</b>    | <b>Recreation</b> | <b>Debt<br/>Service</b> |
|---|-------------------|-------------------|-------------------------|
| <b>REVENUES COLLECTED</b>   |                   |                   |                         |
| Taxes   | \$ 345,267        | \$ 198,158        | \$ 1,577,478            |
| Charges for services  | -                 | 281,830           | -                       |
| Rental income   | -                 | 26,932            | -                       |
| Donations and grants  | 15,000            | 53,726            | -                       |
| Investment income   | 650               | 687               | 789                     |
| Miscellaneous   | 6,470             | 1,616             | -                       |
|   | <hr/>             | <hr/>             | <hr/>                   |
| Total revenues collected  | 367,387           | 562,949           | 1,578,267               |
|   | <hr/>             | <hr/>             | <hr/>                   |
| <b>EXPENDITURES PAID</b>  |                   |                   |                         |
| Current   |                   |                   |                         |
| General government  | 94,030            | -                 | -                       |
| Recreation  | 145,078           | 359,380           | -                       |
| Capital outlay  | -                 | -                 | -                       |
| Debt service  |                   |                   |                         |
| Principal retirement  | -                 | -                 | 100,000                 |
| Interest and fiscal charges   | -                 | -                 | 783,375                 |
|   | <hr/>             | <hr/>             | <hr/>                   |
| Total expenditures paid   | 239,108           | 359,380           | 883,375                 |
|   | <hr/>             | <hr/>             | <hr/>                   |
| EXCESS (DEFICIENCY) OF REVENUES<br>COLLECTED OVER EXPENDITURES PAID | 128,279           | 203,569           | 694,892                 |
|   | <hr/>             | <hr/>             | <hr/>                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                               |                   |                   |                         |
| Transfers in  | -                 | -                 | -                       |
| Transfers (out)   | -                 | -                 | (1,140,000)             |
|   | <hr/>             | <hr/>             | <hr/>                   |
| Total other financing sources (uses)                                | -                 | -                 | (1,140,000)             |
|   | <hr/>             | <hr/>             | <hr/>                   |
| NET CHANGE IN FUND BALANCES   | 128,279           | 203,569           | (445,108)               |
|   | <hr/>             | <hr/>             | <hr/>                   |
| FUND BALANCES, MAY 1  | 64,246            | 354,899           | 11,895                  |
|   | <hr/>             | <hr/>             | <hr/>                   |
| <b>FUND BALANCES (DEFICIT), APRIL 30</b>                            | <b>\$ 192,525</b> | <b>\$ 558,468</b> | <b>\$ (433,213)</b>     |
|   | <hr/>             | <hr/>             | <hr/>                   |

(This statement is continued on the following page.)

| <b>Capital<br/>Projects</b> | <b>Community<br/>Center<br/>Capital</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|-----------------------------|---|--|---|
| \$ -                        | \$ -                                    | \$ 229,311                                 | \$ 2,350,214                            |
| -                           | -                                       | -  | 281,830                                 |
| -                           | -                                       | -  | 26,932                                  |
| 600                         | -                                       | -  | 69,326                                  |
| 2,030                       | 36,602                                  | 454  | 41,212                                  |
| -                           | -                                       | -  | 8,086                                   |
| 2,630                       | 36,602                                  | 229,765                                    | 2,777,600                               |
| -                           | -                                       | 48,314                                     | 142,344                                 |
| 272,279                     | -                                       | 179,218                                    | 955,955                                 |
| 660,213                     | 7,416,888                               | -  | 8,077,101                               |
| -                           | -                                       | -  | 100,000                                 |
| -                           | -                                       | -  | 783,375                                 |
| 932,492                     | 7,416,888                               | 227,532                                    | 10,058,775                              |
| (929,862)                   | (7,380,286)                             | 2,233                                      | (7,281,175)                             |
| 1,140,000                   | -                                       | -  | 1,140,000                               |
| -                           | -                                       | -  | (1,140,000)                             |
| 1,140,000                   | -                                       | -  | -                                       |
| 210,138                     | (7,380,286)                             | 2,233                                      | (7,281,175)                             |
| 543,199                     | 7,694,483                               | 331,954                                    | 9,000,676                               |
| \$ 753,337                  | \$ 314,197                              | \$ 334,187                                 | \$ 1,719,501                            |

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, 2021

---

|   |                       |
|---|-----------------------|
| <b>NET CHANGE IN FUND BALANCES -<br/>TOTAL GOVERNMENTAL FUNDS</b> | <b>\$ (7,281,175)</b> |
|---|-----------------------|

Amounts reported for governmental activities in the statement of activities  
are different because:

|   |           |
|---|-----------|
| Governmental funds report capital outlay as expenditures; however, they<br>are capitalized and depreciated in the statement of activities | 7,982,099 |
|---|-----------|

|   |           |
|---|-----------|
| Some expenses on the statement of activities do not require the use of<br>current financial resources and, therefore, are not reported as expenditures<br>in governmental funds |           |
| Depreciation  | (274,117) |
| Loss on disposal of capital asset   | (2,420)   |

|   |        |
|---|--------|
| The amortizations of premiums is reported as interest expense on the<br>statement of activities | 23,114 |
|---|--------|

|   |                |
|---|----------------|
| The repayment of long-term debt is reported as an expenditure when<br>due in governmental funds but as a reduction of principal outstanding<br>in the statement of activities | <u>100,000</u> |
|---|----------------|

|  |                                 |
|--|---------------------------------|
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b> | <b><u><u>\$ 547,501</u></u></b> |
|--|---------------------------------|

See accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2021

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**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 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.

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



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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 modified cash basis of accounting. The modified 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 modified 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, 2021.

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 \$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.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Capital Assets (Continued)

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:

| <u>Assets</u>           | <u>Years</u> |
|-------------------------|--------------|
| Land improvements       | 20-50        |
| Buildings               | 20-40        |
| Machinery and equipment | 5-20         |
| Spring Lake Facility    | 10-30        |

g. Long-Term Obligations

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

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)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Property Taxes (Continued)**

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.

**i. Net Position/Fund Balances**

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)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effect Dates of Certain Authoritative Guidance*, the District has delayed the implementation of GASB Statement No. 87, *Leases*, to April 30, 2023.

**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.

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

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.

**3. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2021 was as follows:

|   | Beginning<br>Balances | Increases           | Decreases       | Ending<br>Balances   |
|---|-----------------------|---------------------|-----------------|----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>              |                       |                     |                 |                      |
| Capital assets not being depreciated        |                       |                     |                 |                      |
| Land  | \$ 2,301,984          | \$ -                | \$ -            | \$ 2,301,984         |
| Construction in progress                    | 6,770,797             | 7,886,267           | -               | 14,657,064           |
| Total capital assets not being depreciated  | 9,072,781             | 7,886,267           | -               | 16,959,048           |
| Capital assets being depreciated            |                       |                     |                 |                      |
| Buildings                                   | 1,330,921             | -                   | -               | 1,330,921            |
| Land improvements                           | 4,672,455             | -                   | -               | 4,672,455            |
| Machinery and equipment                     | 1,303,644             | 95,832              | 105,768         | 1,293,708            |
| Spring Lake facility                        | 1,987,665             | -                   | -               | 1,987,665            |
| Total capital assets being depreciated      | 9,294,685             | 95,832              | 105,768         | 9,284,749            |
| Less accumulated depreciation for           |                       |                     |                 |                      |
| Buildings                                   | 788,207               | 31,773              | -               | 819,980              |
| Land improvements                           | 2,301,277             | 116,656             | -               | 2,417,933            |
| Machinery and equipment                     | 807,214               | 78,594              | 103,348         | 782,460              |
| Spring Lake facility                        | 1,377,309             | 47,094              | -               | 1,424,403            |
| Total accumulated depreciation              | 5,274,007             | 274,117             | 103,348         | 5,444,776            |
| Total capital assets being depreciated, net | 4,020,678             | (178,285)           | 2,420           | 3,839,973            |
| <b>GOVERNMENTAL ACTIVITIES</b>              |                       |                     |                 |                      |
| <b>CAPITAL ASSETS, NET</b>                  | <b>\$ 13,093,459</b>  | <b>\$ 7,707,982</b> | <b>\$ 2,420</b> | <b>\$ 20,799,021</b> |

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

**3. CAPITAL ASSETS (Continued)**

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

**GOVERNMENTAL ACTIVITIES**

|            |            |
|------------|------------|
| Recreation | \$ 274,117 |
|------------|------------|

|   |                   |
|---|-------------------|
| <b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b> | <b>\$ 274,117</b> |
|---|-------------------|

**4. LONG-TERM DEBT**

The following is a summary of changes in long-term debt for governmental activities for the year ended April 30, 2021:

|                     | Fund Debt<br>Retired By | Beginning<br>Balances | Additions   | Reductions        | Ending<br>Balances  | Current<br>Portion |
|---------------------|-------------------------|-----------------------|-------------|-------------------|---------------------|--------------------|
| Bonds Series 2019A  | Debt Service            | \$ 6,000,000          | \$ -        | \$ 100,000        | \$ 5,900,000        | \$ 210,000         |
| Bonds Series 2019B  | Debt Service            | 8,000,000             | -           | -                 | 8,000,000           | -                  |
| Unamortized premium | N/A                     | 507,297               | -           | 23,114            | 484,183             | -                  |
| <b>TOTAL</b>        |                         | <b>\$14,507,297</b>   | <b>\$ -</b> | <b>\$ 123,114</b> | <b>\$14,384,183</b> | <b>\$ 210,000</b>  |

**Debt Service to Maturity**

The annual requirements to amortize to maturity serial debt outstanding as of April 30, 2021 are as follows:

| Fiscal Year<br>Ending<br>April 30, | General Obligation Bonds |                     |
|------------------------------------|--------------------------|---------------------|
|                                    | Principal                | Interest            |
| 2022                               | \$ 210,000               | \$ 513,419          |
| 2023                               | 220,000                  | 505,019             |
| 2024                               | 225,000                  | 496,219             |
| 2025                               | 235,000                  | 487,219             |
| 2026                               | 510,000                  | 477,819             |
| 2027-2031                          | 2,960,000                | 1,982,594           |
| 2032-2036                          | 3,655,000                | 1,288,394           |
| 2037-2041                          | 3,830,000                | 677,375             |
| 2042-2045                          | 2,055,000                | 169,650             |
| <b>TOTAL</b>                       | <b>\$ 13,900,000</b>     | <b>\$ 6,597,708</b> |

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

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**4. LONG-TERM DEBT (Continued)**

Debt Service to Maturity (Continued)

General obligation bonds consist of the following:

|   | Purpose                          | Balance<br>April 30  | Current<br>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 | \$ 5,900,000         | \$ 210,000         |
| 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            | -                  |
| <b>TOTAL GENERAL OBLIGATION BONDS PAYABLE</b>   |                                  | <b>\$ 13,900,000</b> | <b>\$ 210,000</b>  |

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, 2021 was \$12,292,325 with a commitment end date of January 1, 2045. The District paid \$429,328 of interest expense in fiscal year 2021, which was 29.80% of the pledged revenue of \$1,442,387.

**5. SHORT-TERM DEBT**

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. These bonds were due on January 1, 2021.

On January 28, 2021, the District issued \$775,000 of General Obligation Park Bonds, Series 2021A (Direct placement) and \$300,000 Taxable General Obligation Park Bonds, Series 2021B (Direct placement). These bonds are due on January 1, 2022.

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

**5. SHORT-TERM DEBT (Continued)**

|                    | Fund Debt<br>Retired By | Beginning<br>Balances | Additions           | Reductions          | Ending<br>Balances  | Current<br>Portion  |
|--------------------|-------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
| Bonds Series 2020A | Debt Service            | \$ 700,000            | \$ -                | \$ 700,000          | \$ -                | \$ -                |
| Bonds Series 2020B | Debt Service            | 440,000               | -                   | 440,000             | -                   | -                   |
| Bonds Series 2021A | Debt Service            | -                     | 775,000             | -                   | 775,000             | 775,000             |
| Bonds Series 2021B | Debt Service            | -                     | 300,000             | -                   | 300,000             | 300,000             |
| <b>TOTAL</b>       |                         | <b>\$ 1,140,000</b>   | <b>\$ 1,075,000</b> | <b>\$ 1,140,000</b> | <b>\$ 1,075,000</b> | <b>\$ 1,075,000</b> |

**6. RISK MANAGEMENT**

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health; injuries to employees; and net income losses. Employee health is covered by third party indemnity contracts. 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.



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

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**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](http://www.imrf.org) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

*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, 2020, IMRF membership consisted of:

|   |                  |
|---|------------------|
| Inactive employees or their beneficiaries<br>currently receiving benefits | 14               |
| Inactive employees entitled to but not yet<br>receiving benefits          | 11               |
| Active employees  | <u>10</u>        |
| TOTAL   | <u><u>35</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.

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

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**7. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Benefits (Continued)*

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating 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.

*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, 2021 was 1.16% of covered payroll.

*Actuarial Assumptions*

The District's net pension liability was measured as of December 31, 2020 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, 2020 |
| Actuarial cost method    | Entry-age normal  |
| Assumptions              |                   |
| Inflation                | 2.25%             |
| Salary increases         | 3.85% to 13.75%   |
| Interest rate            | 7.25%             |
| Asset valuation method   | Market value      |

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2020.

**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, 2020 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)<br>Total<br>Pension<br>Liability | (b)<br>Plan<br>Fiduciary<br>Net Position | (a) - (b)<br>Net Pension<br>Liability<br>(Asset) |
|--|--------------------------------------|--|--|
| BALANCES AT<br>JANUARY 1, 2020                       | \$ 1,782,087                         | \$ 2,169,982                             | \$ (387,895)                                     |
| Changes for the period                               |                                      |  |  |
| Service cost   | 36,547                               | -  | 36,547   |
| Interest   | 123,717                              | -  | 123,717  |
| Difference between expected<br>and actual experience | 86,229                               | -  | 86,229   |
| Changes in assumptions                               | (23,577)                             | -  | (23,577)   |
| Employer contributions                               | -                                    | 4,209                                    | (4,209)  |
| Employee contributions                               | -                                    | 14,886                                   | (14,886)   |
| Net investment income                                | -                                    | 303,639                                  | (303,639)  |
| Benefit payments and refunds                         | (187,851)                            | (187,851)                                | -  |
| Other (net transfer)                                 | -                                    | 42,371                                   | (42,371)   |
| Net changes  | 35,065                               | 177,254                                  | (142,189)  |
| BALANCES AT<br>DECEMBER 31, 2020                     | \$ 1,817,152                         | \$ 2,347,236                             | \$ (530,084)                                     |

There were changes in assumptions from the prior year in inflation rates, salary increases and mortality assumptions.

**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, 2021, the District recognized pension expense of \$4,323.

At April 30, 2021, the deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience                                   | \$ 63,274                            | \$ -                                |
| Changes in assumption   | -                                    | 15,822                              |
| Employer contributions after the measurement date                                   | 1,435                                | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments | -                                    | 189,136                             |
| <b>TOTAL</b>  | <b>\$ 64,709</b>                     | <b>\$ 204,958</b>                   |

For disclosure purposes, the amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF would be recognized in pension expense as follows:

\$1,435 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the year ending April 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

| Fiscal Year<br>Ending<br>April 30, |                     |
|------------------------------------|---------------------|
| 2021                               | \$ (35,179)         |
| 2022                               | (1,134)             |
| 2023                               | (75,190)            |
| 2024                               | (30,181)            |
| <b>TOTAL</b>                       | <b>\$ (141,684)</b> |

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

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**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<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability (asset) | \$ (355,604)           | \$ (530,084)                        | \$ (669,066)           |

**8. OTHER POSTEMPLOYMENT BENEFITS**

The District has evaluated its potential other postemployment benefits liability. 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 former employees have chosen to stay in the District's health insurance plan. Additionally, the District had no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. As a result, the District has determined that no material liability is required to be reported under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition, the total OPEB liability, deferred outflows of resources and deferred inflows of resources would not be reported on the District's financial statements as the District reports on the modified cash basis of accounting as discussed in Note 1e. Therefore, the District has not recorded any postemployment benefit liability as of April 30, 2021.

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

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**9. INTERFUND ACTIVITY**

During the normal course of District operations, transfers between funds arise to reimburse individual funds for expenditures incurred for the benefit of other funds. The following operating transfers occurred during the fiscal year ended April 30, 2021:

|                       | Transfers<br>Out    | Transfers<br>In     |
|-----------------------|---------------------|---------------------|
| Capital Projects Fund | \$ -                | \$ 1,140,000        |
| Debt Service Fund     | 1,140,000           | -                   |
| <b>TOTAL</b>          | <b>\$ 1,140,000</b> | <b>\$ 1,140,000</b> |

The purposes of the significant interfund transfers are as follows:

- \$1,140,000 from the Debt Service Fund was transferred to the Capital Projects Fund to record the payment on the bonds into the fund where the liability was located. This transfer will not be repaid.

Due from/to other funds at April 30, 2021 consist of the following:

|                   | Due<br>From       | Due<br>To         |
|-------------------|-------------------|-------------------|
| Recreation Fund   | \$ 433,213        | \$ -              |
| Debt Service Fund | -                 | 433,213           |
| <b>TOTAL</b>      | <b>\$ 433,213</b> | <b>\$ 433,213</b> |

The purposes of the interfund balances are as follows:

- \$433,213 due from the Recreation Fund to the Debt Service Fund to fund temporary cash shortfalls.

**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, 2021

|                                   | <u>Appropriation</u> | <u>Original and<br/>Final Budget</u> | <u>Actual</u>     | <u>Variance<br/>with Final<br/>Budget</u> |
|-----------------------------------|----------------------|--------------------------------------|-------------------|---|
| <b>REVENUES COLLECTED</b>         |                      |                                      |                   |   |
| Taxes                             |                      |                                      |                   |   |
| Property taxes                    |                      | \$ 260,000                           | \$ 257,623        | \$ (2,377)                                |
| Personal property replacement tax |                      | 70,000                               | 87,644            | 17,644                                    |
| Donations and grants              |                      | -                                    | 15,000            | 15,000                                    |
| Investment income                 |                      | 4,200                                | 650               | (3,550)                                   |
| Miscellaneous                     |                      | 568                                  | 6,470             | 5,902                                     |
|                                   |                      |                                      |                   |   |
| Total revenues collected          |                      | 334,768                              | 367,387           | 32,619                                    |
| <b>EXPENDITURES PAID</b>          |                      |                                      |                   |   |
| Current                           |                      |                                      |                   |   |
| General government                | \$ 147,002           | 133,639                              | 94,030            | (39,609)                                  |
| Recreation                        | 246,935              | 224,487                              | 145,078           | (79,409)                                  |
|                                   |                      |                                      |                   |   |
| Total expenditures paid           | \$ 393,937           | 358,126                              | 239,108           | (119,018)                                 |
| <b>NET CHANGE IN FUND BALANCE</b> |                      |                                      |                   |   |
|                                   |                      | <u>\$ (23,358)</u>                   | 128,279           | <u>\$ 151,637</u>                         |
| <b>FUND BALANCE, MAY 1</b>        |                      |                                      |                   |   |
|                                   |                      |                                      | <u>64,246</u>     |   |
| <b>FUND BALANCE, APRIL 30</b>     |                      |                                      |                   |   |
|                                   |                      |                                      | <u>\$ 192,525</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  
RECREATION FUND**

For the Year Ended April 30, 2021

|                                   | <u>Appropriation</u> | <u>Original and<br/>Final Budget</u> | <u>Actual</u> | <u>Variance<br/>with Final<br/>Budget</u> |
|-----------------------------------|----------------------|--------------------------------------|---------------|---|
| <b>REVENUES COLLECTED</b>         |                      |                                      |               |   |
| Property taxes                    |                      | \$ 195,000                           | \$ 198,158    | \$ 3,158                                  |
| Recreation program                |                      | 90,300                               | 249,214       | 158,914                                   |
| Driving range                     |                      | 10,000                               | 12,002        | 2,002                                     |
| Spring Lake pool                  |                      | 80,195                               | 20,614        | (59,581)                                  |
| Facility rental                   |                      | 29,000                               | 26,932        | (2,068)                                   |
| Donations and grants              |                      | -                                    | 53,726        | 53,726                                    |
| Investment income                 |                      | 2,500                                | 687           | (1,813)                                   |
| Miscellaneous                     |                      | 2,500                                | 1,616         | (884)                                     |
|                                   |                      |                                      |               |   |
| Total revenues collected          |                      | 409,495                              | 562,949       | 153,454                                   |
| <b>EXPENDITURES PAID</b>          |                      |                                      |               |   |
| Current                           |                      |                                      |               |   |
| Recreation                        |                      |                                      |               |   |
| Recreation                        | \$ 874,608           | 795,099                              | 339,792       | (455,307)                                 |
| Driving range                     | 6,600                | 6,000                                | 6,321         | 321                                       |
| Spring Lake                       | 7,929                | 7,208                                | 13,267        | 6,059                                     |
|                                   |                      |                                      |               |   |
| Total expenditures paid           | \$ 889,137           | 808,307                              | 359,380       | (448,927)                                 |
| <b>NET CHANGE IN FUND BALANCE</b> |                      |                                      |               |   |
|                                   | \$ (398,812)         | 203,569                              | \$ 602,381    |   |
| <b>FUND BALANCE, MAY 1</b>        |                      |                                      |               |   |
|                                   |                      | 354,899                              |               |   |
| <b>FUND BALANCE, APRIL 30</b>     |                      |                                      |               |   |
|                                   |                      | \$ 558,468                           |               |   |

(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, 2021

|   | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b>     | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------|--------------------------------------|-------------------|---|
| <b>ADMINISTRATIVE</b>                         |                      |                                      |                   |   |
| Administration salaries                       | \$ 20,965            | \$ 19,059                            | \$ 17,946         | \$ (1,113)                                |
| Administration wages                          | 11,840               | 10,764                               | 13,013            | 2,249                                     |
| Insurance and benefits                        | 6,107                | 5,552                                | 3,905             | (1,647)                                   |
| Legal fees and other professional<br>services | 63,250               | 57,500                               | 25,101            | (32,399)                                  |
| Printing and postage                          | 3,850                | 3,500                                | 1,751             | (1,749)                                   |
| Technology services                           | 13,750               | 12,500                               | 11,443            | (1,057)                                   |
| Travel, staff training, and dues              | 18,150               | 16,500                               | 12,989            | (3,511)                                   |
| Office supplies and equipment                 | 5,830                | 5,300                                | 3,545             | (1,755)                                   |
| Utilities                                     | 1,760                | 1,600                                | 3,300             | 1,700                                     |
| Telephone                                     | 1,500                | 1,364                                | 1,037             | (327)                                     |
| Total administrative                          | 147,002              | 133,639                              | 94,030            | (39,609)                                  |
| <b>MAINTENANCE DEPARTMENT</b>                 |                      |                                      |                   |   |
| Maintenance salaries                          | 55,158               | 50,144                               | 37,727            | (12,417)                                  |
| Maintenance wages                             | 45,473               | 41,339                               | 20,870            | (20,469)                                  |
| Insurance and benefits                        | 20,529               | 18,663                               | 14,062            | (4,601)                                   |
| Technology services                           | 1,430                | 1,300                                | 7,202             | 5,902                                     |
| Contractual maintenance                       | 50,710               | 46,100                               | 27,620            | (18,480)                                  |
| Equipment and supplies                        | 29,370               | 26,700                               | 11,031            | (15,669)                                  |
| Travel, staff training and dues               | 3,850                | 3,500                                | 3,170             | (330)                                     |
| Janitorial services                           | 13,200               | 12,000                               | 5,343             | (6,657)                                   |
| Gas and oil                                   | 18,700               | 17,000                               | 12,395            | (4,605)                                   |
| Utilities                                     | 8,515                | 7,741                                | 5,658             | (2,083)                                   |
| Total maintenance department                  | 246,935              | 224,487                              | 145,078           | (79,409)                                  |
| <b>TOTAL EXPENDITURES</b>                     | <b>\$ 393,937</b>    | <b>\$ 358,126</b>                    | <b>\$ 239,108</b> | <b>\$ (119,018)</b>                       |

(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, 2021

|                                  | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b>     | <b>Variance<br/>with Final<br/>Budget</b> |
|----------------------------------|----------------------|--------------------------------------|-------------------|---|
| <b>RECREATION</b>                |                      |                                      |                   |   |
| Recreation salaries              | \$ 136,324           | \$ 123,931                           | \$ 94,990         | \$ (28,941)                               |
| Recreation wages                 | 223,664              | 203,331                              | 67,655            | (135,676)                                 |
| Insurance and benefits           | 44,520               | 40,473                               | 17,494            | (22,979)                                  |
| Golf course                      | 55,000               | 50,000                               | 50,000            | -   |
| Printing and postage             | 3,850                | 3,500                                | 700               | (2,800)                                   |
| Technology services              | 27,350               | 24,864                               | 17,251            | (7,613)                                   |
| Professional development         | -                    | -                                    | 555               | 555                                       |
| Advertising                      | 5,500                | 5,000                                | 5,277             | 277                                       |
| Office supplies and equipment    | 550                  | 500                                  | 3,254             | 2,754                                     |
| Janitorial services and supplies | -                    | -                                    | 9,071             | 9,071                                     |
| Utilities                        | 245,300              | 223,000                              | 40,687            | (182,313)                                 |
| Chemicals                        | 48,400               | 44,000                               | 2,308             | (41,692)                                  |
| Safety supplies                  | -                    | -                                    | 1,341             | 1,341                                     |
| Merchandise                      | -                    | -                                    | 4,138             | 4,138                                     |
| Facility expenses                | 26,840               | 24,400                               | 3,006             | (21,394)                                  |
| Program expenses                 | 57,310               | 52,100                               | 21,571            | (30,529)                                  |
| Other                            | -                    | -                                    | 494               | 494                                       |
| Total recreation                 | 874,608              | 795,099                              | 339,792           | (455,307)                                 |
| <b>DRIVING RANGE</b>             |                      |                                      |                   |   |
| Driving range wages              | 4,400                | 4,000                                | 4,950             | 950                                       |
| Driving range expenses           | 2,200                | 2,000                                | 1,371             | (629)                                     |
| Total driving range              | 6,600                | 6,000                                | 6,321             | 321                                       |
| <b>SPRING LAKE</b>               |                      |                                      |                   |   |
| Spring Lake wages                | 550                  | 500                                  | 31                | (469)                                     |
| Contractual maintenance          | 1,879                | 1,708                                | 508               | (1,200)                                   |
| Program expenses                 | -                    | -                                    | 6,264             | 6,264                                     |
| Maintenance supplies             | -                    | -                                    | 189               | 189                                       |
| Utilities                        | 5,500                | 5,000                                | 4,650             | (350)                                     |
| Chemicals                        | -                    | -                                    | 1,625             | 1,625                                     |
| Total spring lake                | 7,929                | 7,208                                | 13,267            | 6,059                                     |
| <b>TOTAL EXPENDITURES</b>        | <b>\$ 889,137</b>    | <b>\$ 808,307</b>                    | <b>\$ 359,380</b> | <b>\$ (448,927)</b>                       |

(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, 2021

|   | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------|--------------------------------------|---------------|---|
| <b>REVENUES COLLECTED</b>   |                      |                                      |               |   |
| Property taxes  |                      | \$ 1,547,301                         | \$ 1,577,478  | \$ 30,177                                 |
| Investment income   |                      | 1,000                                | 789           | (211)                                     |
| Total revenues collected  |                      | 1,548,301                            | 1,578,267     | 29,966                                    |
| <b>EXPENDITURES PAID</b>  |                      |                                      |               |   |
| Debt service  |                      |                                      |               |   |
| Principal retirement  | \$ 1,547,301         | 1,547,301                            | 100,000       | (1,447,301)                               |
| Interest and fiscal charges   | -                    | -                                    | 783,375       | 783,375                                   |
| Total expenditures paid   | \$ 1,547,301         | 1,547,301                            | 883,375       | (663,926)                                 |
| EXCESS (DEFICIENCY) OF REVENUES<br>COLLECTED OVER EXPENDITURES PAID |                      | 1,000                                | 694,892       | 693,892                                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                               |                      |                                      |               |   |
| Transfers (out)   |                      | -                                    | (1,140,000)   | (1,140,000)                               |
| Total other financing sources (uses)                                |                      | -                                    | (1,140,000)   | (1,140,000)                               |
| NET CHANGE IN FUND BALANCE  |                      | \$ 1,000                             | (445,108)     | \$ (446,108)                              |
| FUND BALANCE, MAY 1   |                      |                                      | 11,895        |   |
| FUND BALANCE (DEFICIT), APRIL 30                                    |                      |                                      | \$ (433,213)  |   |

(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, 2021

|   | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|---|----------------------|--------------------------------------|---------------|---|
| <b>REVENUES COLLECTED</b>   |                      |                                      |               |   |
| Investment income   |                      | \$ 7,000                             | \$ 2,030      | \$ (4,970)                                |
| Donations and grants  |                      | 155,300                              | 600           | (154,700)                                 |
| Total revenues collected  |                      | 162,300                              | 2,630         | (159,670)                                 |
| <b>EXPENDITURES PAID</b>  |                      |                                      |               |   |
| Current   |                      |                                      |               |   |
| Recreation  |                      |                                      |               |   |
| Personal services   | \$ -                 | -                                    | 246,767       | 246,767                                   |
| Contractual services  | -                    | -                                    | 25,512        | 25,512                                    |
| Capital outlay  | 2,618,049            | 2,618,049                            | 660,213       | (1,957,836)                               |
| Total expenditures paid   | \$ 2,618,049         | 2,618,049                            | 932,492       | (1,685,557)                               |
| EXCESS (DEFICIENCY) OF REVENUES<br>COLLECTED OVER EXPENDITURES PAID |                      | (2,455,749)                          | (929,862)     | 1,525,887                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                               |                      |                                      |               |   |
| Transfers in  |                      | -                                    | 1,140,000     | 1,140,000                                 |
| Bonds issued  |                      | 775,000                              | -             | (775,000)                                 |
| Total other financing sources (uses)                                |                      | 775,000                              | 1,140,000     | 365,000                                   |
| NET CHANGE IN FUND BALANCE  |                      | \$ (1,680,749)                       | 210,138       | \$ 1,890,887                              |
| FUND BALANCE, MAY 1   |                      |                                      | 543,199       |   |
| FUND BALANCE, APRIL 30  |                      |                                      | \$ 753,337    |   |

(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, 2021

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|                            | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|----------------------------|----------------------|--------------------------------------|---------------|---|
| <b>REVENUES COLLECTED</b>  |                      |                                      |               |   |
| Investment income          |                      | \$ 36,000                            | \$ 36,602     | \$ 602                                    |
| Total revenues collected   |                      | 36,000                               | 36,602        | 602                                       |
| <b>EXPENDITURES PAID</b>   |                      |                                      |               |   |
| Capital outlay             | \$ 7,808,553         | 7,808,553                            | 7,416,888     | (391,665)                                 |
| Total expenditures paid    | \$ 7,808,553         | 7,808,553                            | 7,416,888     | (391,665)                                 |
| NET CHANGE IN FUND BALANCE |                      | \$ (7,772,553)                       | (7,380,286)   | \$ 392,267                                |
| FUND BALANCE, MAY 1        |                      |                                      | 7,694,483     |   |
| FUND BALANCE, APRIL 30     |                      |                                      | \$ 314,197    |   |

(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, 2021

|  | Social Security<br>and Medicare<br>(FICA) | Liability<br>Insurance | Lighting<br>and Paving | Audit           | Illinois<br>Municipal<br>Retirement | Museum          | Special<br>Recreation | Working<br>Cash  | Total             |
|--|---|------------------------|------------------------|-----------------|-------------------------------------|-----------------|-----------------------|------------------|-------------------|
| <b>ASSETS</b>                              |   |                        |                        |                 |                                     |                 |                       |                  |                   |
| Cash and investments                       | \$ 28,630                                 | \$ 62,603              | \$ 52,667              | \$ 6,192        | \$ 89,756                           | \$ 3,729        | \$ 24,260             | \$ 66,350        | \$ 334,187        |
| <b>TOTAL ASSETS</b>                        | <u>\$ 28,630</u>                          | <u>\$ 62,603</u>       | <u>\$ 52,667</u>       | <u>\$ 6,192</u> | <u>\$ 89,756</u>                    | <u>\$ 3,729</u> | <u>\$ 24,260</u>      | <u>\$ 66,350</u> | <u>\$ 334,187</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |   |                        |                        |                 |                                     |                 |                       |                  |                   |
| <b>LIABILITIES</b>                         |   |                        |                        |                 |                                     |                 |                       |                  |                   |
| None                                       | \$ -                                      | \$ -                   | \$ -                   | \$ -            | \$ -                                | \$ -            | \$ -                  | \$ -             | \$ -              |
| <b>FUND BALANCES</b>                       |   |                        |                        |                 |                                     |                 |                       |                  |                   |
| Nonspendable                               | -   | -                      | -                      | -               | -                                   | -               | -                     | 66,350           | 66,350            |
| Restricted                                 |   |                        |                        |                 |                                     |                 |                       |                  |                   |
| Social Security                            | 28,630                                    | -                      | -                      | -               | -                                   | -               | -                     | -                | 28,630            |
| Liability insurance                        | -   | 62,603                 | -                      | -               | -                                   | -               | -                     | -                | 62,603            |
| Lighting and paving                        | -   | -                      | 52,667                 | -               | -                                   | -               | -                     | -                | 52,667            |
| Audit                                      | -   | -                      | -                      | 6,192           | -                                   | -               | -                     | -                | 6,192             |
| Illinois Municipal Retirement Fund         | -   | -                      | -                      | -               | 89,756                              | -               | -                     | -                | 89,756            |
| Museum                                     | -   | -                      | -                      | -               | -                                   | 3,729           | -                     | -                | 3,729             |
| Special recreation                         | -   | -                      | -                      | -               | -                                   | -               | 24,260                | -                | 24,260            |
| Total fund balances                        | <u>28,630</u>                             | <u>62,603</u>          | <u>52,667</u>          | <u>6,192</u>    | <u>89,756</u>                       | <u>3,729</u>    | <u>24,260</u>         | <u>66,350</u>    | <u>334,187</u>    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 28,630</u>                          | <u>\$ 62,603</u>       | <u>\$ 52,667</u>       | <u>\$ 6,192</u> | <u>\$ 89,756</u>                    | <u>\$ 3,729</u> | <u>\$ 24,260</u>      | <u>\$ 66,350</u> | <u>\$ 334,187</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, 2021

|                                | Social Security<br>and Medicare<br>(FICA) | Liability<br>Insurance | Lighting<br>and Paving | Audit           | Illinois<br>Municipal<br>Retirement | Museum          | Special<br>Recreation | Working<br>Cash  | Total             |
|--------------------------------|---|------------------------|------------------------|-----------------|-------------------------------------|-----------------|-----------------------|------------------|-------------------|
| <b>REVENUES COLLECTED</b>      |   |                        |                        |                 |                                     |                 |                       |                  |                   |
| Property taxes                 | \$ 34,687                                 | \$ 16,942              | \$ 13,797              | \$ 8,912        | \$ 15,867                           | \$ 28,726       | \$ 110,380            | \$ -             | \$ 229,311        |
| Interest income                | 69  | 116                    | 23                     | 21              | 52                                  | 47              | 107                   | 19               | 454               |
| Total revenues collected       | 34,756                                    | 17,058                 | 13,820                 | 8,933           | 15,919                              | 28,773          | 110,487               | 19               | 229,765           |
| <b>EXPENDITURES PAID</b>       |   |                        |                        |                 |                                     |                 |                       |                  |                   |
| Current                        |   |                        |                        |                 |                                     |                 |                       |                  |                   |
| General government             | 1,468                                     | 34,216                 | 4,702                  | 7,750           | 178                                 | -               | -                     | -                | 48,314            |
| Recreation                     | 34,152                                    | -                      | -                      | -               | 4,145                               | 28,736          | 112,185               | -                | 179,218           |
| Total expenditures paid        | 35,620                                    | 34,216                 | 4,702                  | 7,750           | 4,323                               | 28,736          | 112,185               | -                | 227,532           |
| NET CHANGE IN FUND BALANCES    | (864)                                     | (17,158)               | 9,118                  | 1,183           | 11,596                              | 37              | (1,698)               | 19               | 2,233             |
| FUND BALANCES, MAY 1           | 29,494                                    | 79,761                 | 43,549                 | 5,009           | 78,160                              | 3,692           | 25,958                | 66,331           | 331,954           |
| <b>FUND BALANCES, APRIL 30</b> | <b>\$ 28,630</b>                          | <b>\$ 62,603</b>       | <b>\$ 52,667</b>       | <b>\$ 6,192</b> | <b>\$ 89,756</b>                    | <b>\$ 3,729</b> | <b>\$ 24,260</b>      | <b>\$ 66,350</b> | <b>\$ 334,187</b> |

(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, 2021

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|                                   | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b>    | <b>Variance<br/>with Final<br/>Budget</b> |
|-----------------------------------|----------------------|--------------------------------------|------------------|---|
| <b>REVENUES COLLECTED</b>         |                      |                                      |                  |   |
| Property taxes                    |                      | \$ 35,000                            | \$ 34,687        | \$ (313)                                  |
| Investment income                 |                      | 300                                  | 69               | (231)                                     |
|                                   |                      |                                      |                  |   |
| Total revenues collected          |                      | 35,300                               | 34,756           | (544)                                     |
| <b>EXPENDITURES PAID</b>          |                      |                                      |                  |   |
| Current                           |                      |                                      |                  |   |
| General government                | \$ 2,221             | 2,019                                | 1,468            | (551)                                     |
| Recreation                        | 51,679               | 46,981                               | 34,152           | (12,829)                                  |
|                                   |                      |                                      |                  |   |
| Total expenditures paid           | \$ 53,900            | 49,000                               | 35,620           | (13,380)                                  |
| <b>NET CHANGE IN FUND BALANCE</b> |                      | <u>\$ (13,700)</u>                   | (864)            | <u>\$ 12,836</u>                          |
| <b>FUND BALANCE, MAY 1</b>        |                      |                                      | <u>29,494</u>    |   |
| <b>FUND BALANCE, APRIL 30</b>     |                      |                                      | <u>\$ 28,630</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, 2021

|                            | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|----------------------------|----------------------|--------------------------------------|---------------|---|
| <b>REVENUES COLLECTED</b>  |                      |                                      |               |   |
| Property taxes             |                      | \$ 17,100                            | \$ 16,942     | \$ (158)                                  |
| Investment income          |                      | 750                                  | 116           | (634)                                     |
| Total revenues collected   |                      | 17,850                               | 17,058        | (792)                                     |
| <b>EXPENDITURES PAID</b>   |                      |                                      |               |   |
| Current                    |                      |                                      |               |   |
| General government         | \$ 49,500            | 45,000                               | 34,216        | (10,784)                                  |
| Total expenditures paid    | \$ 49,500            | 45,000                               | 34,216        | (10,784)                                  |
| NET CHANGE IN FUND BALANCE |                      | \$ (27,150)                          | (17,158)      | \$ 9,992                                  |
| FUND BALANCE, MAY 1        |                      |                                      | 79,761        |   |
| FUND BALANCE, APRIL 30     |                      |                                      | \$ 62,603     |   |

(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, 2021

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|                                   | <u>Appropriation</u> | <u>Original and<br/>Final Budget</u> | <u>Actual</u>    | <u>Variance<br/>with Final<br/>Budget</u> |
|-----------------------------------|----------------------|--------------------------------------|------------------|---|
| <b>REVENUES COLLECTED</b>         |                      |                                      |                  |   |
| Property taxes                    |                      | \$ 14,000                            | \$ 13,797        | \$ (203)                                  |
| Investment income                 |                      | 100                                  | 23               | (77)                                      |
|                                   |                      |                                      |                  |   |
| Total revenues collected          |                      | 14,100                               | 13,820           | (280)                                     |
| <b>EXPENDITURES PAID</b>          |                      |                                      |                  |   |
| Capital outlay                    | \$ 22,000            | 20,000                               | 4,702            | (15,298)                                  |
|                                   |                      |                                      |                  |   |
| Total expenditures paid           | <u>\$ 22,000</u>     | 20,000                               | 4,702            | (15,298)                                  |
| <b>NET CHANGE IN FUND BALANCE</b> |                      |                                      |                  |   |
|                                   |                      | <u>\$ (5,900)</u>                    | 9,118            | <u>\$ 15,018</u>                          |
| <b>FUND BALANCE, MAY 1</b>        |                      |                                      |                  |   |
|                                   |                      |                                      | <u>43,549</u>    |   |
| <b>FUND BALANCE, APRIL 30</b>     |                      |                                      |                  |   |
|                                   |                      |                                      | <u>\$ 52,667</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, 2021

|                                   | <u>Appropriation</u> | <u>Original and<br/>Final Budget</u> | <u>Actual</u>   | <u>Variance<br/>with Final<br/>Budget</u> |
|-----------------------------------|----------------------|--------------------------------------|-----------------|---|
| <b>REVENUES COLLECTED</b>         |                      |                                      |                 |   |
| Property taxes                    |                      | \$ 9,000                             | \$ 8,912        | \$ (88)                                   |
| Investment income                 |                      | 100                                  | 21              | (79)                                      |
|                                   |                      |                                      |                 |   |
| Total revenues collected          |                      | 9,100                                | 8,933           | (167)                                     |
| <b>EXPENDITURES PAID</b>          |                      |                                      |                 |   |
| Current                           |                      |                                      |                 |   |
| General government                | \$ 9,625             | 8,750                                | 7,750           | (1,000)                                   |
|                                   |                      |                                      |                 |   |
| Total expenditures paid           | \$ 9,625             | 8,750                                | 7,750           | (1,000)                                   |
| <b>NET CHANGE IN FUND BALANCE</b> |                      | <u>\$ 350</u>                        | 1,183           | <u>\$ 833</u>                             |
| <b>FUND BALANCE, MAY 1</b>        |                      |                                      | <u>5,009</u>    |   |
| <b>FUND BALANCE, APRIL 30</b>     |                      |                                      | <u>\$ 6,192</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  
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended April 30, 2021

|                            | <b>Appropriation</b> | <b>Original and<br/>Final Budget</b> | <b>Actual</b> | <b>Variance<br/>with Final<br/>Budget</b> |
|----------------------------|----------------------|--------------------------------------|---------------|---|
| <b>REVENUES COLLECTED</b>  |                      |                                      |               |   |
| Property taxes             |                      | \$ 16,000                            | \$ 15,867     | \$ (133)                                  |
| Investment income          |                      | 300                                  | 52            | (248)                                     |
| Total revenues collected   |                      | 16,300                               | 15,919        | (381)                                     |
| <b>EXPENDITURES PAID</b>   |                      |                                      |               |   |
| Current                    |                      |                                      |               |   |
| General government         | \$ 725               | 659                                  | 178           | (481)                                     |
| Recreation                 | 16,875               | 15,341                               | 4,145         | (11,196)                                  |
| Total expenditures paid    | \$ 17,600            | 16,000                               | 4,323         | (11,677)                                  |
| NET CHANGE IN FUND BALANCE | \$ 300               |                                      | 11,596        | \$ 11,296                                 |
| FUND BALANCE, MAY 1        |                      |                                      | 78,160        |   |
| FUND BALANCE, APRIL 30     |                      |                                      | \$ 89,756     |   |

(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, 2021

|                                   | <u>Appropriation</u> | <u>Original and<br/>Final Budget</u> | <u>Actual</u>   | <u>Variance<br/>with Final<br/>Budget</u> |
|-----------------------------------|----------------------|--------------------------------------|-----------------|---|
| <b>REVENUES COLLECTED</b>         |                      |                                      |                 |   |
| Property taxes                    |                      | \$ 29,000                            | \$ 28,726       | \$ (274)                                  |
| Investment income                 |                      | 200                                  | 47              | (153)                                     |
|                                   |                      |                                      |                 |   |
| Total revenues collected          |                      | 29,200                               | 28,773          | (427)                                     |
| <b>EXPENDITURES PAID</b>          |                      |                                      |                 |   |
| Current                           |                      |                                      |                 |   |
| Recreation                        | \$ 31,880            | 28,982                               | 28,736          | (246)                                     |
|                                   |                      |                                      |                 |   |
| Total expenditures paid           | \$ 31,880            | 28,982                               | 28,736          | (246)                                     |
| <b>NET CHANGE IN FUND BALANCE</b> |                      | <u>\$ 218</u>                        | 37              | <u>\$ (181)</u>                           |
| <b>FUND BALANCE, MAY 1</b>        |                      |                                      | <u>3,692</u>    |   |
| <b>FUND BALANCE, APRIL 30</b>     |                      |                                      | <u>\$ 3,729</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  
SPECIAL RECREATION FUND**

For the Year Ended April 30, 2021

|                                   | <u>Appropriation</u> | <u>Original and<br/>Final Budget</u> | <u>Actual</u>    | <u>Variance<br/>with Final<br/>Budget</u> |
|-----------------------------------|----------------------|--------------------------------------|------------------|---|
| <b>REVENUES COLLECTED</b>         |                      |                                      |                  |   |
| Property taxes                    |                      | \$ 114,200                           | \$ 110,380       | \$ (3,820)                                |
| Investment income                 |                      | 300                                  | 107              | (193)                                     |
|                                   |                      |                                      |                  |   |
| Total revenues collected          |                      | <u>114,500</u>                       | <u>110,487</u>   | <u>(4,013)</u>                            |
| <b>EXPENDITURES PAID</b>          |                      |                                      |                  |   |
| Current                           |                      |                                      |                  |   |
| Recreation                        | \$ 125,510           | 114,100                              | 112,185          | (1,915)                                   |
|                                   |                      |                                      |                  |   |
| Total expenditures paid           | <u>\$ 125,510</u>    | <u>114,100</u>                       | <u>112,185</u>   | <u>(1,915)</u>                            |
| <b>NET CHANGE IN FUND BALANCE</b> |                      | <u>\$ 400</u>                        | <u>(1,698)</u>   | <u>\$ (2,098)</u>                         |
| <b>FUND BALANCE, MAY 1</b>        |                      |                                      | <u>25,958</u>    |   |
| <b>FUND BALANCE, APRIL 30</b>     |                      |                                      | <u>\$ 24,260</u> |   |

(See independent auditor's report.)

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

**NOTES TO SUPPLEMENTARY INFORMATION**

April 30, 2021

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**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. No supplemental appropriations were required during fiscal year 2021.

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.

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.

## **OTHER INFORMATION**

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

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

Last Six Fiscal Years

| <b>FISCAL YEAR ENDED APRIL 30,</b>                                   | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Actuarially determined contribution                                  | \$ 22,781   | \$ 22,532   | \$ 16,591   | \$ 12,073   | \$ 10,290   | \$ 4,323    |
| Contributions in relation to the actuarially determined contribution | 22,781      | 22,532      | 16,591      | 12,073      | 10,290      | 4,323       |
| <b>CONTRIBUTION DEFICIENCY (Excess)</b>                              | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> |
| Covered payroll  | \$ 322,304  | \$ 334,477  | \$ 297,132  | \$ 292,666  | \$ 331,913  | \$ 371,291  |
| Contributions as a percentage of covered payroll                     | 7.07%       | 6.74%       | 5.58%       | 4.13%       | 3.10%       | 1.16%       |

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 23 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 7.25% 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 Six Fiscal Years

| MEASUREMENT DATE DECEMBER 31,   | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>TOTAL PENSION LIABILITY</b>  |                     |                     |                     |                     |                     |                     |
| Service cost  | \$ 40,750           | \$ 36,228           | \$ 31,822           | \$ 30,606           | \$ 30,676           | \$ 36,547           |
| Interest  | 117,428             | 118,156             | 117,044             | 114,442             | 120,159             | 123,717             |
| Changes of benefit terms  | -                   | -                   | -                   | -                   | -                   | -                   |
| Differences between expected and actual experience                                    | (30,928)            | (49,923)            | (1,440)             | 68,560              | 49,194              | 86,229              |
| Changes of assumptions  | -                   | -                   | (59,797)            | 39,541              | -                   | (23,577)            |
| Benefit payments, including refunds of member contributions                           | (116,349)           | (114,215)           | (119,967)           | (123,460)           | (119,952)           | (187,851)           |
| Net change in total pension liability   | 10,901              | (9,754)             | (32,338)            | 129,689             | 80,077              | 35,065              |
| Total pension liability - beginning   | 1,603,512           | 1,614,413           | 1,604,659           | 1,572,321           | 1,702,010           | 1,782,087           |
| <b>TOTAL PENSION LIABILITY - ENDING</b>   | <b>\$ 1,614,413</b> | <b>\$ 1,604,659</b> | <b>\$ 1,572,321</b> | <b>\$ 1,702,010</b> | <b>\$ 1,782,087</b> | <b>\$ 1,817,152</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                     |                     |                     |                     |                     |                     |
| Contributions - employer  | \$ 22,969           | \$ 23,871           | \$ 18,433           | \$ 12,474           | \$ 12,440           | \$ 4,209            |
| Contributions - member  | 14,517              | 15,456              | 13,487              | 13,334              | 14,245              | 14,886              |
| Net investment income   | 8,867               | 121,659             | 329,903             | (120,241)           | 362,625             | 303,639             |
| Benefit payments, including refunds of member contributions                           | (116,349)           | (114,215)           | (119,967)           | (123,460)           | (119,952)           | (187,851)           |
| Other   | 15,961              | 24,368              | (34,886)            | 54,501              | 27,149              | 42,371              |
| Net change in plan fiduciary net position   | (54,035)            | 71,139              | 206,970             | (163,392)           | 296,507             | 177,254             |
| Plan fiduciary net position - beginning   | 1,812,793           | 1,758,758           | 1,829,897           | 2,036,867           | 1,873,475           | 2,169,982           |
| <b>PLAN FIDUCIARY NET POSITION - ENDING</b>   | <b>\$ 1,758,758</b> | <b>\$ 1,829,897</b> | <b>\$ 2,036,867</b> | <b>\$ 1,873,475</b> | <b>\$ 2,169,982</b> | <b>\$ 2,347,236</b> |
| <b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>                                       | <b>\$ (144,345)</b> | <b>\$ (225,238)</b> | <b>\$ (464,546)</b> | <b>\$ (171,465)</b> | <b>\$ (387,895)</b> | <b>\$ (530,084)</b> |
| Plan fiduciary net position<br>as a percentage of the total pension liability (asset) | 108.90%             | 114.00%             | 129.50%             | 110.10%             | 121.80%             | 129.20%             |
| Covered payroll   | \$ 322,597          | \$ 343,473          | \$ 299,726          | \$ 296,320          | \$ 316,560          | \$ 328,797          |
| Employer's net pension liability (asset)<br>as a percentage of covered payroll        | (44.70%)            | (65.60%)            | (155.00%)           | (57.90%)            | (122.50%)           | (161.20%)           |

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.)