

CRETE PARK DISTRICT

CRETE, ILLINOIS

ANNUAL FINANCIAL REPORT

YEAR ENDED APRIL 30, 2019

CRETE PARK DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Crete Park District
Crete, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **CRETE PARK DISTRICT** (the "District"), as of and for the year ended April 30, 2019, and the related notes to the 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material mistreatment, whether due to fraud or error.

Auditor's Responsibility

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

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 mistreatment 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 polices used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of April 30, 2019, and the respective changes in financial position for the year then ended in accordance with the accounting principles general accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the required supplemental information, as listed in the table of contents, and the management's discussion and analysis, be presented to the supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted by the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with the management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 accompanying financial information listed as other supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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



O'NEILL & GASPARDO, LLC
Mokena, Illinois
July 3, 2019

CRETE PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Crete Park District (the "District") we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended April 30, 2019. We encourage readers to read this information in conjunction with the District's financial statements.

Financial Highlights

The District's total net position at April 30, 2019 was \$3,803,089, an increase of \$36,723 from April 30, 2018.

During the year, the District's governmental activities had revenues of \$1,074,550 in the year ended April 30, 2019 as compared to revenues of \$1,046,206 in the prior year. The District's governmental activities had expenses of \$1,037,827 in the year ended April 30, 2019 as compared to expenses of \$1,000,030 in the prior year. This represented a 2.71% increase in revenues and 3.78% increase in expenses. The District purchased playground equipment and a new copier for \$31,458 and \$8,553, respectively. The District also paid off the 2017 general obligation limited tax park bonds in the year ended April 30, 2019 with the final principal payment of \$232,000.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the District's financial statements. The basic financial statements include the Statement of Net Position, Statement of Activities, Governmental Funds Balance Sheet, Governmental Funds Revenues, Expenditures and Changes in Fund Balances, and Notes to Financial Statements.

Government-wide Financial Statements

The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position includes all of the District's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Increases and decreases in net position serve as a useful indicator of change in net position and whether the financial position of the District as a whole is improving or deteriorating. Non-financial factors, such as changes in the District's property tax base and condition of the District's buildings and equipment, should be considered regarding the overall health of the District.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All revenues and expenses are included regardless of when cash is received or paid.

Fund Financial Statements

A fund is a group of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are reported separately while all other funds are combined into a single aggregated amount.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and the balance of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the short-term.

Both the governmental funds balance sheet and governmental funds revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the difference between the government-wide and fund financial statements.

In addition to the basic financial statements, notes to the financial statements provide further information to the reader and should be considered an integral part of the financial statements.

Budgetary comparison schedules are also provided as required supplemental information, which is useful in comparing how District expenditures were made in comparison to budgeted amounts.

Financial Analysis

Net position may serve, over time, as a useful indicator of a District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,803,089 at the end of the fiscal year. Of the net position balance, \$4,015,637 is invested in capital assets, net of related debt, \$341,992 is restricted and unrestricted net assets had a deficit of \$554,540.

Condensed Statement of Net Position

	<u>April 30, 2019</u>	<u>April 30, 2018</u>
Assets		
Current assets:		
Cash and investments	\$ 281,099	\$ 211,128
Property tax receivable	711,950	696,070
Total current assets	<u>993,049</u>	<u>907,198</u>
Capital assets	<u>4,015,937</u>	<u>4,050,249</u>
Total assets	5,008,986	4,957,447
Deferred outflows of resources	<u>122,640</u>	<u>47,620</u>
Total assets and deferred outflows of resources	<u>\$ 5,131,626</u>	<u>\$ 5,005,067</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 44,134	\$ 59,399
Accrued compensated absences	14,365	14,875
Debt payable	<u>235,235</u>	<u>232,000</u>
Total current liabilities	293,734	306,274
Pension Liability	<u>265,583</u>	<u>119,583</u>
Total liabilities	559,317	425,857
Deferred inflows of resources:		
Property taxes	711,950	696,070
Pension related	<u>57,270</u>	<u>116,774</u>
Total deferred inflows of resources	769,220	812,844
Net Position		
Net invested in capital assets	4,015,637	4,055,123
Restricted	341,992	243,734
Unrestricted	<u>(554,540)</u>	<u>(532,491)</u>
Total net position	<u>3,803,089</u>	<u>3,766,366</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,131,626</u>	<u>\$ 5,005,067</u>

Nineteen percent of the District's assets and deferred outflows of resources at April 30, 2019 were current and consisted of cash, investments and property tax receivables. The remainder was capital (tangible) assets and deferred outflows of resources. Fifty-three percent of liabilities were current liabilities. The remaining liabilities consisted of pension liabilities. Restricted net position of \$341,992 was nine percent of total net position. Of the remaining net position, \$4,015,637 is invested in capital assets and unrestricted net assets had a deficit of \$554,540.

The following summarizes the revenue and expenses of the District's governmental activities for fiscal year ended April 30, 2019. Governmental activities increased the District's net position by \$36,723.

Condensed Statement of Activities

	<u>May 1, 2018 to April 30, 2019</u>	<u>May 1, 2017 to April 30, 2018</u>
Revenues		
General revenues:		
Property taxes	\$ 691,629	\$ 677,776
Replacement taxes	6,181	6,304
Other	7,637	4,661
Program revenues:		
Charges for recreation programs	297,657	296,551
Rentals, permits and fees	71,446	60,914
Total revenues	<u>1,074,550</u>	<u>1,046,206</u>
Expenses		
Recreation	1,031,599	993,483
Interest on long-term debt	6,228	6,547
Total expenses	<u>1,037,827</u>	<u>1,000,030</u>
Change in net position	36,723	46,176
Net position, beginning of year	<u>3,766,366</u>	<u>3,720,190</u>
Net position, end of year	<u>\$ 3,803,089</u>	<u>\$ 3,766,366</u>

The statement of activities shows the nature and source of the changes in net position. This year's expenses are quite similar to the previous fiscal year with a major portion of revenues used to fund recreation expenses.

Budget

The District did not amend their budget during the fiscal year. The actual funds received for the general fund were \$281,064 which was \$6,971 lower than budgeted. Actual expenditures for the general fund of \$261,481 were \$690,519 lower than budgeted, due mainly to conservative spending practices.

Financial Analysis of District's Funds

	General	Recreation	Debt Service	Capital Projects	Other Funds	Total
Total revenues	\$ 281,064	\$ 472,847	\$ 235,776	\$ -	\$ 84,863	\$ 1,074,550
Total expenditures	261,481	502,723	237,302	136,225	85,891	1,223,622
Excess (deficiency) of revenues over (under) expenditures	19,583	(29,876)	(1,526)	(136,225)	(1,028)	(149,072)
Other financing sources (uses)	-	-	-	235,235	-	235,235
Net change in fund balance	19,583	(29,876)	(1,526)	99,010	(1,028)	86,163
Fund balance at April 30, 2018	35,930	(71,629)	(54,606)	135,925	107,809	153,429
Fund balance at April 30, 2019	<u>\$ 55,513</u>	<u>\$ (101,505)</u>	<u>\$ (56,132)</u>	<u>\$ 234,935</u>	<u>\$ 106,781</u>	<u>\$ 239,592</u>

The fund balance of the Capital Projects Fund and Other Funds are restricted for specific purposes. The Recreation Fund and Debt Service Fund both have deficit fund balances which will be eliminated with future surpluses. The General Fund balance of \$55,513 is unassigned and can be used for any purpose.

Capital Assets

The District's investment in capital assets, net of accumulated depreciation was \$4,015,937 as of April 30, 2019. This was a decrease of \$34,312 from April 30, 2018 and was due to depreciation expense exceeding fixed asset additions. The following summarizes capital assets.

	April 30, 2019	April 30, 2018
Land	\$ 3,079,100	\$ 3,079,100
Buildings	827,848	827,848
Playground equipment	512,189	480,731
Maintenance equipment	89,664	89,664
Office equipment	31,442	26,489
Site Improvements	1,129,655	1,120,410
Vehicles	63,758	63,758
Total capital assets	5,733,656	5,688,000
Less: accumulated depreciation	1,717,719	1,637,751
Net capital assets	<u>\$ 4,015,937</u>	<u>\$ 4,050,249</u>

Additional information regarding capital assets may be found in the accompanying notes to the financial statements.

Debt

As of April 30, 2019, the District had general obligation bonds outstanding of \$235,235. This balance is scheduled to be paid in December 2019.

Additional information regarding debt may be found in the accompanying notes to the financial statements.

Economic Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of the following circumstances that could significantly affect its financial health in the future.

- The District's service area is the same as the boundaries for the Village of Crete; as such the District's ability to generate tax receipts is directly linked to the Equalized Assessed Valuation (EAV) of the property within the Village of Crete. The EAV increased to \$146,071,047 from \$136,004,424. The rise in assessed valuation will provide more property tax income, but is also likely to result in a greater number of tax objections to lower assessments.
- State changes to the minimum wage may have significant impact on the District.
- Much of the District's equipment and buildings are outdated and will need attention in the future.
- The Staff developed a Strategic Plan, Vision 2020, to guide us through future planning. It assisted the District in identifying strengths and weaknesses. The following are the results of the Strategic Plan:
 - Goal to increase space for administration, therefore improve efficiency and to improve the visual appeal of Crete Park District.
 - We have developed staff newsletters to increase communication, developed the Heritage Park Concession stand for rentals to increase revenue, and increased social activities with staff and board.
 - A new long-range plan was completed and a long-term budget was developed. The plan will help the District budget for anticipated capital improvements and assist in keeping equipment updated.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer, Crete Park District, 515 First Street, Crete, Illinois, 60417.

End of Management Discussion and Analysis

CRETE PARK DISTRICT

STATEMENT OF NET POSITION

April 30, 2019

ASSETS

Current assets:			
Cash and investments	\$	281,099	
Property tax receivables		<u>711,950</u>	
Total current assets			\$ 993,049
Noncurrent assets:			
Land		3,079,100	
Other capital assets, net of accumulated depreciation		<u>936,837</u>	
Total noncurrent assets			4,015,937
Deferred outflows of resources:			
Pension related		<u>122,640</u>	
Total deferred outflows of resources			<u>122,640</u>
Total assets			<u><u>\$ 5,131,626</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Current liabilities:			
Accounts payable	\$	22,306	
Accrued expenses		13,243	
Unearned revenue:			
Recreation programs		8,585	
Accrued compensated absences		14,365	
Debt payable, due within one year		<u>235,235</u>	
Total current liabilities			\$ 293,734
Noncurrent liabilities:			
Net pension liability		<u>265,583</u>	
Total noncurrent liabilities			<u>265,583</u>
Total liabilities			559,317
Deferred inflows of resources:			
Unavailable property taxes		711,950	
Pension related		<u>57,270</u>	
Total deferred inflows of resources			769,220
Net position:			
Net invested in capital assets, net of related debt		4,015,637	
Restricted		341,992	
Unrestricted		<u>(554,540)</u>	
Total net position			<u>3,803,089</u>
Total liabilities, deferred inflows of resources and net position			<u><u>\$ 5,131,626</u></u>

CRETE PARK DISTRICT

STATEMENT OF ACTIVITIES

Year Ended April 30, 2019

	<u>Program Revenue</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Functions/programs					
Governmental activities:					
Recreation	\$ (1,031,599)	\$ 369,103	\$ 2,448	\$ -	\$ (660,048)
Interest on long-term debt	(6,228)	-	-	-	(6,228)
Total governmental activities	<u>(1,037,827)</u>	<u>369,103</u>	<u>2,448</u>	<u>-</u>	<u>(666,276)</u>
General revenues:					
Taxes:					
Property taxes					691,629
Replacement taxes					6,181
Interest income					<u>5,189</u>
Total general revenues					<u>702,999</u>
Change in net position					36,723
Net position:					
Beginning of year					<u>3,766,366</u>
End of year					<u>\$ 3,803,089</u>

CRETE PARK DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET

April 30, 2019

	<u>GENERAL</u>	<u>RECREATION</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
Assets:						
Cash and investments	\$ 71,991	\$ -	\$ -	\$ 92,635	\$ 116,473	\$ 281,099
Property tax receivables	199,095	184,780	243,354	-	84,721	711,950
Interfund balances	-	-	-	142,300	-	142,300
Total assets	<u>\$ 271,086</u>	<u>\$ 184,780</u>	<u>\$ 243,354</u>	<u>\$ 234,935</u>	<u>\$ 201,194</u>	<u>\$ 1,135,349</u>
Liabilities:						
Accounts payable	\$ 13,406	\$ -	\$ -	\$ -	\$ 8,900	\$ 22,306
Accrued expenses	3,072	6,752	-	-	792	10,616
Unearned revenue:						
Recreation programs	-	8,585	-	-	-	8,585
Interfund balances	-	86,168	56,132	-	-	142,300
Total liabilities	16,478	101,505	56,132	-	9,692	183,807
Deferred inflows of resources:						
Unavailable property taxes	199,095	184,780	243,354	-	84,721	711,950
Total deferred inflows of resources	199,095	184,780	243,354	-	84,721	711,950
Fund balances:						
Nonspendable	-	-	-	142,300	-	142,300
Restricted	-	-	-	92,635	107,057	199,692
Unassigned	55,513	(101,505)	(56,132)	-	(276)	(102,400)
Total fund balances	<u>55,513</u>	<u>(101,505)</u>	<u>(56,132)</u>	<u>234,935</u>	<u>106,781</u>	<u>239,592</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 271,086</u>	<u>\$ 184,780</u>	<u>\$ 243,354</u>	<u>\$ 234,935</u>	<u>\$ 201,194</u>	<u>\$ 1,135,349</u>

CRETE PARK DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

April 30, 2019

Fund balances - governmental funds		\$ 239,592
Capital assets are not current financial resources and therefore are not reported on the governmental funds balance sheet.		4,015,937
Deferred outflows and inflows of resources related to pension are not a current financial resource and therefore are not reported on the governmental funds balance sheet:		
Deferred outflows of resources related to pensions		122,640
Deferred inflows of resources related to pensions		(57,270)
Long-term liabilities are not due and payable in the current period and therefore are not reported on the governmental funds balance sheet:		
Accrued interest	\$ (2,627)	
Accrued compensated absences	(14,365)	
Net pension liability	(265,583)	
Debt payable	(235,235)	
Total adjustments		<u>(517,810)</u>
Net position of governmental activities		<u>\$ 3,803,089</u>

CRETE PARK DISTRICT

GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended April 30, 2019

	<u>GENERAL</u>	<u>RECREATION</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
Revenues:						
Property taxes	\$ 195,800	\$ 175,190	\$ 235,776	\$ -	\$ 84,863	\$ 691,629
Replacement taxes	6,181	-	-	-	-	6,181
Rentals	66,979	-	-	-	-	66,979
Donations	2,448	-	-	-	-	2,448
Programs	-	297,657	-	-	-	297,657
Interest	5,189	-	-	-	-	5,189
Resident pass	4,467	-	-	-	-	4,467
Total revenues	<u>281,064</u>	<u>472,847</u>	<u>235,776</u>	<u>-</u>	<u>84,863</u>	<u>1,074,550</u>
Expenditures:						
Current:						
Recreation	261,481	502,723	-	-	85,891	850,095
Debt service:						
Principal	-	-	232,000	-	-	232,000
Interest	-	-	5,302	-	-	5,302
Capital outlay	-	-	-	136,225	-	136,225
Total expenditures	<u>261,481</u>	<u>502,723</u>	<u>237,302</u>	<u>136,225</u>	<u>85,891</u>	<u>1,223,622</u>
Excess (deficiency) of revenues over (under) expenditures	19,583	(29,876)	(1,526)	(136,225)	(1,028)	(149,072)
Other financing sources:						
Bond proceeds	-	-	-	235,235	-	235,235
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,235</u>	<u>-</u>	<u>235,235</u>
Net change in fund balances	19,583	(29,876)	(1,526)	99,010	(1,028)	86,163
Fund balances:						
Beginning of year	<u>35,930</u>	<u>(71,629)</u>	<u>(54,606)</u>	<u>135,925</u>	<u>107,809</u>	<u>153,429</u>
End of year	<u>\$ 55,513</u>	<u>\$ (101,505)</u>	<u>\$ (56,132)</u>	<u>\$ 234,935</u>	<u>\$ 106,781</u>	<u>\$ 239,592</u>

CRETE PARK DISTRICT

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

Year Ended April 30, 2019

Net change in fund balances - governmental funds		\$	86,163
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of these assets is depreciated over their estimated useful lives.			
Expenditures for capital assets in the current year	\$	49,256	
Current year depreciation		<u>(83,568)</u>	
			(34,312)
Bond proceeds are recorded as other financing source on the fund financial statements, but as bond payable on the government-wide financial statements.			
			(235,235)
Repayment of debt principal is an expenditure in governmental funds, but reduces liabilities on the statement of net position.			
			232,000
Some expenses reported on the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Change in accrued interest from the prior year		(927)	
Change in accrued compensated absences from the prior year		510	
Change in deferred outflows of resources and defined benefit pension plan from the prior year		134,524	
Change in net pension liability from the prior year		<u>(146,000)</u>	
Total adjustments			<u>(11,893)</u>
Change in net position of governmental activities		\$	<u><u>36,723</u></u>

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CRETE PARK DISTRICT (the “District”) is located in Crete, Illinois (Will County). The District was organized under state law to provide recreation services to local residents in Crete, Illinois.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. 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 AND ITS SERVICES

Accounting principles generally accepted in the United States of America require that the financial reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based upon these criteria, there are no agencies or entities whose financial data should be combined with and included in the financial statements of the District. Also, the District is not considered a component unit of any other governmental entity.

B. BASIS OF PRESENTATION

The District’s basic financial statements consist of Government-Wide Financial Statements and Fund Financial Statements.

Government-Wide Financial Statements

The Statements of Net Position and Activities report the overall financial activity of the District (not by fund). The Statement of Net Position reports the District’s assets and liabilities with the difference reported as net position. The Statement of Activities compares recreation expenses with program revenues. Program revenues include charges to participants of recreation programs and grants and contributions that are restricted to funding recreation programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The District records transactions by funds to aid financial management and demonstrate legal compliance. Major individual governmental funds are reported as separate columns in the fund financial statements and all other funds are combined under a single column. The major funds are the General, Recreation, Debt Service and Capital Projects Funds. Following is a brief description of the major funds used by the District.

General Fund – The General Fund is the general operating fund of the District and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. In addition, general operating expenditures and the capital improvement costs that are not paid through other funds are paid from this fund.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Recreation Fund – The Recreation Fund accounts for revenues and expenditures related to recreation programs offered by the District.

Debt Service Fund – The Debt Service Fund accumulates resources for, and payment of general long-term debt principal, interest and related costs.

Capital Project Fund – The Capital Project fund accounts for financial resources to be used for the acquisition or construction of capital facilities and equipment.

The other governmental funds of the District account for property taxes and other resources whose use is restricted for a particular purpose.

C. BASIS OF ACCOUNTING

Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in fund equity. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter (defined as within 60 days after the fiscal year-end) to be used to pay liabilities of the current period. Material revenues susceptible to accrual include real estate tax, replacement tax and grant revenue. Expenditures are recognized when the related fund liability is incurred.

The government-wide statements (Statement of Net Position and Statement of Activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

D. INVESTMENTS

Investments consist of investments held in an Illinois Funds Money Market Account and are carried at cost, which approximates market.

E. CAPITAL ASSETS

The accounting treatment for property, plant and equipment (capital assets) depends on whether the assets are reported on the government-wide or fund financial statements. On the government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Building	15 – 60 years
Playground equipment	10 – 30 years
Maintenance equipment	5 – 20 years
Office equipment	3 – 10 years
Site improvements	3 – 60 years
Vehicles	5 – 15 years

The minimum capitalization threshold is any item with a total cost greater than \$2,500.

On the fund financial statements, capital assets are accounted for as expenditures of the governmental fund upon acquisition.

F. COMPENSATED ABSENCES

The District personnel policy permits employees to accumulate earned but unused vacation days, personal days and sick pay benefits. No liability is recorded for unpaid accumulated sick leave, since it is the District's policy to not pay unused sick leave when employees separate from the District. On the fund financial statements, accrued vacation and personal days are recorded in the general or recreation funds when payable (i.e. upon resignation or retirement). On the government-wide financial statements, accrued vacation and personal days are recorded when earned.

G. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The District reports deferred outflows of resources on its Statement of Net Position. Deferred outflows of resources represent a consumption of net position that applies to future fiscal years, so will not be recognized as an outflow of resources (expenditure or expense) until then. The District only has one item that qualifies for reporting in this category, the outflows related to the pension, which represents pension items that will be recognized in future periods.

The District also reports deferred inflows of resources on its Governmental Funds Balance Sheet and Statement of Net Position. Deferred inflows of resources represent an acquisition of net position that applies to future fiscal years, so will not be recognized as an inflow of resources (revenue or reduction of expenditure or expense) until then. The District has two items that qualify for reporting in this category:

- Deferred inflows related to pensions, which represent pension items that will be recognized in future periods.
- Levied property taxes intended to finance the next fiscal year, so will be recognized as revenue in the next fiscal year.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

H. PROPERTY TAXES

Annually, the District's Board adopts a property tax levy ordinance. Upon adoption by the Board, the District establishes a legal right to revenue from property tax assessments. Property taxes are recognized as a receivable at the time they are levied. Property tax revenue is recognized during the fiscal year they are intended to finance. In addition, revenue under the modified accrual basis (fund financial statements) is not recognized unless it is also available (collected within 60 days after fiscal year end). Property tax collections and property taxes receivable not recognized as revenue are reported as deferred inflows of resources. Property tax revenue on the fund financial statements is allocated to each fund in accordance with the applicable fund levy amounts.

The 2017 levy was intended to finance the fiscal year ended April 30, 2019. The most recent levy (2018) is intended to finance the next fiscal year. Therefore, property taxes receivable related to this levy are recorded as deferred inflows of resources. Property taxes receivable are recognized on the levy date.

The District has not recorded an allowance for uncollectible property taxes for the 2018 levy, since it is estimated that uncollectible amounts, if any, will be insignificant. All uncollected taxes relating to prior year's levies have been written off.

Significant dates for the 2018 levy are as follows:

Lien Date	January 1, 2018
Levy Date	November 28, 2018
Tax Bills Mailed (at least 30 days prior to collection deadline)	
Will County First Installment Due	June 4, 2019
Will County Second Installment Due	September 4, 2019

Property taxes are billed and collected by the County Treasurer of Will County, Illinois. Substantially all of the collected taxes for the 2018 tax levy will be received by the District between June 2019 and December 2019.

I. ELIMINATION AND RECLASSIFICATIONS

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances on the fund financial statements may be eliminated or reclassified.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J. FUND BALANCE

Equity is classified as fund balance on the fund financial statements and displayed in five components:

- Nonspendable – includes amounts not in spendable form or amounts required to be maintained intact legally or contractually.
- Restricted – includes amounts constrained for a specific purpose by external parties.
- Committed – includes amounts constrained for a specific purpose by a government using its highest level of decision-making authority (the Board of Commissioners for the District). This formal action must occur prior to the end of the reporting period, but the amount of the committed balance may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Commissioners that originally created the commitment.
- Assigned – includes General Fund amounts constrained for a specific purpose by the Board of Commissioners or by an official who has been delegated authority to assign amounts. The Board of Commissioners has not delegated this authority as of April 30, 2019. Additionally, all remaining positive spendable amounts in government funds other than the General Fund, that are neither restricted nor committed, are considered assigned. Assignments may take place after the end of the reporting period.
- Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include deficits of any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure relates to amounts available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance and unassigned fund balance.

K. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District uses restricted resources when an expense is incurred before using unrestricted resources.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

L. ESTIMATES

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

NOTE 2. DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

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

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

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>7</u>
Total	<u><u>10</u></u>

Contributions

As set by statute, the District's regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2018 was 11.18% of members' wages. For the fiscal year ended in April 30, 2019, the District contributed \$34,028 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.50%.
- **Salary Increases** were expected to be 3.39% to 14.25%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

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

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Portfolio target percentage</u>	<u>Long-term expected real rate of return</u>
Domestic equity	37%	7.15%
International equity	18%	7.25%
Fixed income	28%	3.75%
Real estate	9%	6.25%
Alternative investments	7%	3.20-8.50%
Cash equivalents	1%	2.50%
Total	<u>100%</u>	

The District updated their investment rate of return to 7.25% from 7.50% for calendar year 2018. No other changes were made to the District's assumptions.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine the Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71% and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total pension liability (A)	Plan fiduciary net position (B)	Net pension liability (A) - (B)
Balances at December 31, 2017	\$ 1,151,639	\$ 1,032,056	\$ 119,583
Changes for the year:			
Service cost	28,565	-	28,565
Interest on the total pension liability	86,676	-	86,676
Changes in benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	(3,659)	-	(3,659)
Changes of assumptions	51,258	-	51,258
Contributions - employer	-	34,028	(34,028)
Contributions - employee	-	13,697	(13,697)
Net investment income	-	(31,635)	31,635
Benefits payments, including refunds of employee contributions	(20,478)	(20,478)	-
Other (net transfers)	-	750	(750)
Net changes	142,362	(3,638)	146,000
Balances at December 31, 2018	<u>\$ 1,294,001</u>	<u>\$ 1,028,418</u>	<u>\$ 265,583</u>

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

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

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

	1% lower (6.25%)	Current discount (7.25%)	1% higher (8.25%)
Total pension liability	\$ 1,527,811	\$ 1,294,001	\$ 1,103,797
Plan fiduciary net position	1,028,418	1,028,418	1,028,418
Net pension liability / (asset)	\$ 499,393	\$ 265,583	\$ 75,379

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2019, the District recognized pension expense of \$42,070. At April 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred amounts related to pensions	Deferred outflows of resources	Deferred inflows of resources
<i>Deferred amounts to be recognized in pension expense in future periods</i>		
Differences between expected and actual experience	\$ 6,750	\$ 22,552
Changes of assumptions	44,974	34,718
Net difference between projected and actual earnings on pension plan investments	59,782	-
Total deferred amounts to be recognized in pension expense in future periods	111,506	57,270
<i>Pension contributions made subsequent to the measurement date</i>	11,134	-
Total deferred amounts related to pensions	\$ 122,640	\$ 57,270

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 2. DEFINED BENEFIT PENSION PLAN – Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the future periods as follows:

<u>Year ended December 31,</u>	<u>Net deferred outflows of resources</u>
2019	\$ 19,768
2020	9,157
2021	7,754
2022	21,655
2023	(362)
Thereafter	(3,736)
Total	<u>\$ 54,236</u>

NOTE 3. CASH AND INVESTMENTS

Reconciled cash and investments were as follows at April 30, 2019:

Old Plank Trail Bank - Business checking account	\$ 101,297
Old Plank Trail Bank - Money market account	33,311
Illinois Funds Investment (see below - does not require categorization)	146,491
Total cash and investments	<u>\$ 281,099</u>

The District's investments policy (the "policy") authorizes the District to invest in securities authorized by the Illinois Public Funds Investment Act.

The District's deposits and investments are subject to the following risks:

- Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District's investment policy requires the amount of collateral provided to be at a minimum of 105% of the fair market value of the net amount of funds secured.
- Credit risk is the risk that the District's deposits or investments may not be returned due to bank/investment failure or other events. The District's investment policy limits its exposure to credit risk by only allowing investments in certificates of deposits which are federally insured or fully collateralized by the bank, obligations guaranteed by the United States Government, and Illinois Public Treasurer's Investment Pool or Illinois Park District Liquidity Asset Fund, which are both typically federally insured or collateralized by securities of the United States Government.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 3. CASH AND INVESTMENTS – Continued

- Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy does not limit the District's investment portfolio to specific maturities.
- 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 does not restrict the amount of investments in any one issue. All of the District's investments are in Illinois Funds.

Illinois Funds

Illinois Funds is an investment pool managed by the State of Illinois, Office of Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but operates in a manner consistent with Rule 2(a)7 of the Investment Company Act of 1940. Illinois Funds is rated AAAM by Standard & Poor's. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold. Illinois Funds issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained on-line at www.treasurer.il.gov.

The District's deposits with financial institutions were categorized as follows at April 30, 2019:

Insured by federal depository insurance	\$	141,855
Collateralized by securities held by the pledging financial institution's trust department or agent in the District's name		-
Collateralized by securities held by the pledging financial institution's trust department or agent, but not in the District's name		-
Uncollateralized		-
Total deposits with financial institutions	\$	<u>141,855</u>

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 4. CAPITAL ASSETS

Following is a summary of changes in the capital assets for the year ended April 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not depreciable:				
Land	\$ 3,079,100	\$ -	\$ -	\$ 3,079,100
Total capital assets, not depreciable	3,079,100	-	-	3,079,100
Capital assets, depreciable				
Building	827,848	-	-	827,848
Playground equipment	480,731	31,458	-	512,189
Maintenance equipment	89,664	-	-	89,664
Office equipment	26,489	8,553	(3,600)	31,442
Site improvements	1,120,410	9,245	-	1,129,655
Vehicles	63,758	-	-	63,758
Total capital assets, depreciable	2,608,900	49,256	(3,600)	2,654,556
Less accumulated depreciation for:				
Building	(367,633)	(18,571)	-	(386,204)
Playground equipment	(339,552)	(19,950)	-	(359,502)
Maintenance equipment	(85,109)	(1,773)	-	(86,882)
Office equipment	(23,771)	(2,293)	3,600	(22,464)
Site improvements	(786,312)	(39,037)	-	(825,349)
Vehicles	(35,374)	(1,944)	-	(37,318)
Total accumulated depreciation	(1,637,751)	(83,568)	3,600	(1,717,719)
Capital assets, net	<u>\$ 4,050,249</u>	<u>\$ (34,312)</u>	<u>\$ -</u>	<u>\$ 4,015,937</u>

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 5. LONG-TERM LIABILITIES

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Debt payable:					
2017 Bonds	\$ 232,000	\$ -	\$ (232,000)	\$ -	\$ -
2018 Bonds	-	235,235	-	235,235	235,235
Subtotal	<u>232,000</u>	<u>235,235</u>	<u>(232,000)</u>	<u>235,235</u>	<u>235,235</u>
Other liabilities:					
Net pension liability	119,583	146,000	-	265,583	-
Accrued compensated absences	14,875	29,250	(29,760)	14,365	14,365
Totals	<u>\$ 366,458</u>	<u>\$ 410,485</u>	<u>\$ (261,760)</u>	<u>\$ 515,183</u>	<u>\$ 249,600</u>

The General and Recreation Funds have been used to liquidate other long-term liabilities.

Debt payable at April 30, 2019 was comprised of the following issuances:

General Obligation Limited Tax Park Bonds (Series 2018) of \$235,235 were issued in December 2018. These bonds bear interest of 3.35%. All of the principal and interest on these bonds is due in December 2019.

The combined aggregate amounts of maturities for this debt at April 30, 2019 were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 30, 2020	\$ 235,235	\$ 7,880	\$ 243,115
	<u>\$ 235,235</u>	<u>\$ 7,880</u>	<u>\$ 243,115</u>

A computation of the legal debt margin of the District as of April 30, 2019 is as follows:

Equalized assessed valuation 2018	\$ 146,071,047
Legal debt limit - 2.875%	\$ 4,199,543
Amount of debt applicable to limit	<u>(235,235)</u>
Estimated legal debt margin	<u>\$ 3,964,308</u>

In November 2017, the District approved a General Obligation Bond of \$1,100,000 for the purpose of acquiring land and buildings. The District has not issued these bonds as of July 3, 2019 (Auditor's Report date), as they have not finalized plans for use of funding from the bonds.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 6. RISK OF LOSS

The District is exposed to various risks of loss through property ownership, employee injury, liability of employees, elected officials actions and other items. The District purchased commercial insurance policies to overcome these risks. There were no significant reductions in insurance coverage during the year ended April 30, 2019 and claims did not exceed insurance coverage in the last three years.

NOTE 7. OTHER FUND DISCLOSURES

Accounting principles generally accepted in the United States of America require disclosure of certain information concerning individual funds including:

The following funds had deficit balances at April 30, 2019:

Major fund - recreation	<u>\$ (101,505)</u>
Major fund - debt service	<u>\$ (56,132)</u>
Non-major fund - audit	<u>\$ (276)</u>

The following interfund balances existed as of April 30, 2019:

Due from recreation fund to capital projects fund	<u>\$ 86,168</u>
Due from debt service fund to capital projects fund	<u>\$ 56,132</u>

The District's interfund loans were made to cover the expenditures of the District's Recreation Fund and Debt Service Fund. The loans are not expected to be paid in full by April 30, 2020.

CRETE PARK DISTRICT

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

NOTE 8. FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the government funds as of April 30, 2019:

	<u>General</u>	<u>Recreation</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Funds</u>
Fund Balance:					
Nonspendable:					
Interfund balances	\$ -	\$ -	\$ -	\$ 142,300	\$ -
Restricted:					
Restricted by bond ordinance:					
Capital projects	-	-	-	92,635	-
Restricted by tax levies:					
Liability insurance	-	-	-	-	27,964
Social security	-	-	-	-	32,179
Paving and lighting	-	-	-	-	46,914
Total restricted	-	-	-	92,635	107,057
Unassigned	55,513	(101,505)	(56,132)	-	(276)
Total fund balances	<u>\$ 55,513</u>	<u>\$ (101,505)</u>	<u>\$ (56,132)</u>	<u>\$ 234,935</u>	<u>\$ 106,781</u>

NOTE 9. RESTRICTED NET POSITION

The following is a schedule of restricted net position on the Statement of Net Position as of April 30, 2019.

Restricted by bond ordinance for capital projects	\$ 234,935
Restricted due to enabling legislation (tax levy):	
Liability insurance	27,964
Social security	32,179
Paving and lighting	46,914
Total	<u>\$ 341,992</u>

NOTE 10. SUBSEQUENT EVENTS

The District has evaluated events subsequent to April 30, 2019 for possible adjustment or disclosure to the accompanying financial statements. This evaluation was done through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

***REQUIRED
SUPPLEMENTAL INFORMATION***

CRETE PARK DISTRICT

**GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL
Year Ended April 30, 2019**

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:			
Property taxes	\$ 194,114	\$ 195,800	\$ 1,686
Replacement taxes	5,621	6,181	560
Rentals	60,200	66,979	6,779
Donations	3,000	2,448	(552)
Grants	20,000	-	(20,000)
Interest	1,100	5,189	4,089
Resident pass	4,000	4,467	467
Total revenues	288,035	281,064	(6,971)
Expenditures:			
Recreation:			
Wages allocated - capital fund	(50,000)	(40,000)	10,000
Salary - Executive Director	75,000	68,932	(6,068)
Salary - Board Treasurer	2,000	-	(2,000)
Staff development	10,000	1,289	(8,711)
Salary - Maintenance Superintendent	60,000	55,530	(4,470)
P/T summer maintenance	40,000	20,314	(19,686)
Expenditures - payroll accruals	-	539	539
IL Municipal Retirement Fund	55,000	30,594	(24,406)
Health insurance	75,000	75,202	202
Repair office equipment/contracts	30,000	10,306	(19,694)
Dues and subscriptions	12,000	1,398	(10,602)
Office supplies	9,000	3,125	(5,875)
Postage	2,000	378	(1,622)
NSF checks	2,000	157	(1,843)
Advertising	7,000	3,253	(3,747)
Public relations	10,000	1,642	(8,358)
Water for staff	1,000	75	(925)
Internet data	8,000	3,041	(4,959)
Miscellaneous	3,000	(5,031)	(8,031)
Accounting services	3,000	-	(3,000)
Attorney	20,000	3,690	(16,310)
Commissioner professional development	10,000	1,336	(8,664)
Administration professional development	10,000	1,921	(8,079)
Maintenance professional development	5,000	608	(4,392)
Equipment rental and maintenance	15,000	9,441	(5,559)
Fuel	10,000	5,876	(4,124)
Pick-up truck maintenance	5,000	1,266	(3,734)
Dump truck maintenance	5,000	140	(4,860)
Vehicle maintenance F250	4,000	213	(3,787)
Custodial supplies	10,000	3,887	(6,113)

Continued . . .

CRETE PARK DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL

Year Ended April 30, 2019

Continued. . .

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Lawn maintenance services	4,000	-	(4,000)
Tree maintenance	20,000	-	(20,000)
Crete Park building maintenance	30,000	604	(29,396)
Crete Park general maintenance	25,000	93	(24,907)
Trail maintenance	10,000	-	(10,000)
Martin Park & Lions Park general maintenance	10,000	313	(9,687)
Heritage building maintenance	25,000	197	(24,803)
Heritage general maintenance	30,000	1,017	(28,983)
Lincolnshire Park general maintenance	5,000	-	(5,000)
Swiss Valley Park general maintenance	5,000	-	(5,000)
Main Street general building maintenance	10,000	135	(9,865)
Main Street building repair	20,000	-	(20,000)
Total recreation expenditures	642,000	261,481	(380,519)
Capital outlay:			
New vehicles	50,000	-	(50,000)
Equipment	250,000	-	(250,000)
Tot lot maintenance	10,000	-	(10,000)
Total capital outlay expenditures	310,000	-	(310,000)
Total expenditures	952,000	261,481	(690,519)
Net change in fund balance	<u>\$ (663,965)</u>	19,583	<u>\$ 683,548</u>
Fund balance, beginning		35,930	
Fund balance, ending		<u>\$ 55,513</u>	

CRETE PARK DISTRICT

RECREATION FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL

Year Ended April 30, 2019

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:			
Property taxes	\$ 173,618	\$ 175,190	\$ 1,572
Programs	328,700	297,657	(31,043)
Total revenues	502,318	472,847	(29,471)
Expenditures:			
IDNR youth grant	10,000	-	(10,000)
Vending machine	10,000	-	(10,000)
Telephones	15,000	11,170	(3,830)
Administrative support expense	5,000	-	(5,000)
Sales tax	1,000	-	(1,000)
Salary - Assistant Director	68,000	60,232	(7,768)
Salary - Superintendent of Recreation	60,000	44,600	(15,400)
Wages - Site Supervision	35,000	13,639	(21,361)
Wages - Office Manager	25,000	13,567	(11,433)
Maintenance Assistant	40,000	32,985	(7,015)
Maintenance Custodian	30,000	20,925	(9,075)
Wages - Recreation Assistant	32,000	34,194	2,194
Utilities/Gas - Crete	5,000	1,365	(3,635)
Utilities/Gas - Heritage	5,000	1,754	(3,246)
Utilities/Gas - Other	5,000	995	(4,005)
Utilities/Electric - Main Street	5,000	1,158	(3,842)
Utilities/Electric - Crete	12,000	8,283	(3,717)
Utilities/Electric - Heritage	10,000	4,249	(5,751)
Utilities/Electric - Other	10,000	3,299	(6,701)
Utilities/Water - Crete	5,000	1,314	(3,686)
Utilities/Water - Heritage	5,000	1,094	(3,906)
Utilities/Water - Main Street	3,000	256	(2,744)
Brochure printing	20,000	9,060	(10,940)
Brochure mailing	2,400	-	(2,400)
Recreation professional development	10,000	1,498	(8,502)
Porta John rental	10,000	2,040	(7,960)
Special recreation	10,000	200	(9,800)
Staff uniforms	5,000	204	(4,796)
Cleaning service	10,000	2,621	(7,379)
Credit card expense	10,000	6,489	(3,511)
Preschool - professional development	5,000	2,648	(2,352)
Pool payout	10,000	-	(10,000)
Turf management	20,000	3,925	(16,075)
Program salaries	165,000	152,220	(12,780)

Continued. . .

CRETE PARK DISTRICT

RECREATION FUND**SCHEDULE OF REVENUES AND EXPENDITURES -****ESTIMATED RECEIPTS AND APPROPRIATIONS COMPARED TO ACTUAL**

Year Ended April 30, 2019

Continued. . .

	<u>Original / Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Service contracts/instructors	80,000	35,520	(44,480)
Preschool equipment	10,000	5,305	(4,695)
Arts and crafts supplies	10,000	6,446	(3,554)
Sports equipment	28,000	14,440	(13,560)
Concession stand supplies	10,000	-	(10,000)
Supplies - special events	25,000	8,528	(16,472)
Wages allocated - capital fund	-	(10,000)	(10,000)
Indoor swimming	-	6,500	6,500
Total expenditures	<u>836,400</u>	<u>502,723</u>	<u>(333,677)</u>
Net change in fund balance	<u>\$ (334,082)</u>	<u>(29,876)</u>	<u>\$ 304,206</u>
Fund balance, beginning		<u>(71,629)</u>	
Fund balance, ending		<u>\$ (101,505)</u>	

CRETE PARK DISTRICT**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

December 31, 2018

Calendar year ended December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:				
Service cost	\$ 28,565	\$ 31,358	\$ 32,031	\$ 30,397
Interest on the total pension liability	86,676	82,492	74,631	69,577
Change in benefit terms	-	-	-	-
Differences between expected and actual experience of the total pension liability	(3,659)	(2,220)	9,459	(28,080)
Changes of assumptions	51,258	(39,651)	(3,948)	-
Benefit payments, including refunds of employee contributions	<u>(20,478)</u>	<u>(9,098)</u>	<u>(10,289)</u>	<u>-</u>
Net change in total pension liability	142,362	62,881	101,884	71,894
Total pension liability - beginning	<u>1,151,639</u>	<u>1,088,758</u>	<u>986,874</u>	<u>914,980</u>
Total pension liability - ending	<u>\$ 1,294,001</u>	<u>\$ 1,151,639</u>	<u>\$ 1,088,758</u>	<u>\$ 986,874</u>
Plan fiduciary net position:				
Contributions - employer	\$ 34,028	\$ 34,274	\$ 36,155	\$ 34,381
Contributions - employee	13,697	13,541	13,695	12,936
Net investment income	(31,635)	135,543	52,083	3,915
Benefit payments, including refunds of employee contributions	(20,478)	(9,098)	(10,289)	-
Other (net transfer)	<u>750</u>	<u>(6,362)</u>	<u>8,482</u>	<u>(46,533)</u>
Net change in plan fiduciary net position	(3,638)	167,898	100,126	4,699
Plan fiduciary net position - beginning	<u>1,032,056</u>	<u>864,158</u>	<u>764,032</u>	<u>759,333</u>
Plan fiduciary net position - ending	<u>\$ 1,028,418</u>	<u>\$ 1,032,056</u>	<u>\$ 864,158</u>	<u>\$ 764,032</u>
Net pension liability - ending (A) - (B)	<u>\$ 265,583</u>	<u>\$ 119,583</u>	<u>\$ 224,600</u>	<u>\$ 222,842</u>
Plan fiduciary net position as a percentage of the total pension liability	79.48%	89.62%	79.37%	77.42%
Covered valuation payroll	\$ 304,372	\$ 300,909	\$ 304,337	\$ 287,476
Net pension liability as a percentage of covered valuation payroll	87.26%	39.74%	73.80%	77.52%

Notes to schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CRETE PARK DISTRICT

SCHEDULE OF EMPLOYER CONTRIBUTIONS

April 30, 2019

Calendar year ended December 31,	Actuarially determined contribution (a)	Actual contribution (b)	Contribution deficiency (excess) (b-a)	Covered valuation payroll (c)	Actual contribution as a percentage of covered valuation payroll (b/c)
2018	\$ 34,029	\$ 34,028	\$ 1	\$ 304,372	11.18%
2017	34,274	34,274	-	300,909	11.39%
2016	36,155	36,155	-	304,337	11.88%
2015	34,382	34,381	1	287,476	11.96%
2014	32,882	32,882	-	273,792	12.01%
2013	32,151	32,151	-	266,149	12.08%
2012	30,224	30,224	-	258,328	11.70%
2011	28,987	28,987	-	255,166	11.36%
2010	28,406	28,406	-	256,837	11.06%
2009	25,777	25,777	-	244,800	10.53%
2008	24,941	24,941	-	241,210	10.34%

CRETE PARK DISTRICT

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

April 30, 2019

NOTE 1. BUDGETS

Budgets for funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The following procedures are used to establish the budgets:

- (a) The District's Director submits a proposed operating budget to the Board of Commissioners for approval.
- (b) The Board of Commissioners makes any adjustments to the budget deemed necessary and approves the proposed budget and appropriation ordinance.
- (c) Public Hearings are conducted by the District to obtain taxpayer comments on the proposed budget and appropriation ordinance.
- (d) Subsequently, the Board of Commissioners approves the final budget and appropriation ordinance.

Expenditures may not legally exceed the budgeted appropriations at the fund level. The budget may be amended by the Board of Commissioners. There were no amendments to the budget for the year ended April 30, 2019.

NOTE 2. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Expenditures did not exceed the appropriations for the year ended April 30, 2019 for the General or Recreation Fund.

NOTE 3. SCHEDULE OF EMPLOYER CONTRIBUTION

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate* **Valuation Date:**

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

Methods and Assumptions Used to Determine 2018 Contribution Rates

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	25-year closed period.
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%

CRETE PARK DISTRICT

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

April 30, 2019

NOTE 3. SCHEDULE OF EMPLOYER CONTRIBUTION - Continued

<i>Price Inflation:</i>	2.75%
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

***OTHER
SUPPLEMENTAL INFORMATION***

CRETE PARK DISTRICT**OTHER FUNDS
COMBINING BALANCE SHEET
April 30, 2019**

	<u>LIABILITY INSURANCE</u>	<u>AUDIT</u>	<u>SOCIAL SECURITY</u>	<u>PAVING AND LIGHTING</u>	<u>TOTAL</u>
Assets:					
Cash and investments	\$ 28,052	\$ 8,624	\$ 32,883	\$ 46,914	\$ 116,473
Property tax receivables	<u>39,585</u>	<u>7,157</u>	<u>34,181</u>	<u>3,798</u>	<u>84,721</u>
Total assets	<u>\$ 67,637</u>	<u>\$ 15,781</u>	<u>\$ 67,064</u>	<u>\$ 50,712</u>	<u>\$ 201,194</u>
Liabilities:					
Accounts payable	\$ -	\$ 8,900	\$ -	\$ -	\$ 8,900
Accrued expenses	<u>88</u>	<u>-</u>	<u>704</u>	<u>-</u>	<u>792</u>
Total liabilities	<u>88</u>	<u>8,900</u>	<u>704</u>	<u>-</u>	<u>9,692</u>
Deferred inflows of resources:					
Unavailable property taxes	<u>39,585</u>	<u>7,157</u>	<u>34,181</u>	<u>3,798</u>	<u>84,721</u>
Total deferred inflows of resources	<u>39,585</u>	<u>7,157</u>	<u>34,181</u>	<u>3,798</u>	<u>84,721</u>
Fund balances:					
Restricted	27,964	-	32,179	46,914	107,057
Unassigned	<u>-</u>	<u>(276)</u>	<u>-</u>	<u>-</u>	<u>(276)</u>
Total fund balances	<u>27,964</u>	<u>(276)</u>	<u>32,179</u>	<u>46,914</u>	<u>106,781</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 67,637</u>	<u>\$ 15,781</u>	<u>\$ 67,064</u>	<u>\$ 50,712</u>	<u>\$ 201,194</u>

CRETE PARK DISTRICT**OTHER FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

Year Ended April 30, 2019

	<u>LIABILITY INSURANCE</u>	<u>AUDIT</u>	<u>SOCIAL SECURITY</u>	<u>PAVING AND LIGHTING</u>	<u>TOTAL</u>
Revenues:					
Property taxes	<u>\$ 40,115</u>	<u>\$ 6,778</u>	<u>\$ 34,166</u>	<u>\$ 3,804</u>	<u>\$ 84,863</u>
Total revenues	40,115	6,778	34,166	3,804	84,863
Expenditures:					
Current:					
Recreation	<u>36,983</u>	<u>8,900</u>	<u>39,990</u>	<u>18</u>	<u>85,891</u>
Total expenditures	<u>36,983</u>	<u>8,900</u>	<u>39,990</u>	<u>18</u>	<u>85,891</u>
Net change in fund balances	3,132	(2,122)	(5,824)	3,786	(1,028)
Fund balances:					
Beginning of year	<u>24,832</u>	<u>1,846</u>	<u>38,003</u>	<u>43,128</u>	<u>107,809</u>
End of year	<u>\$ 27,964</u>	<u>\$ (276)</u>	<u>\$ 32,179</u>	<u>\$ 46,914</u>	<u>\$ 106,781</u>