



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

---

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



SIKICH.COM

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT  
ROCHELLE, ILLINOIS  
TABLE OF CONTENTS**

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	<u>Page(s)</u>
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis .....	3
Statement of Activities - Modified Cash Basis .....	4
Fund Financial Statements	
Governmental Funds	
Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions .....	5-6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position .....	7
Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances .....	8-9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	10
Notes to Financial Statements .....	11-24

**FLAGG-ROCHELLE COMMUNITY PARK DISTRICT**  
**ROCHELLE, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

Page(s)

**FINANCIAL SECTION (Continued)**

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

**MAJOR GOVERNMENTAL FUNDS**

Schedule of Revenues, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	
General Fund .....	25
Recreation Fund.....	26
Schedule of Expenditures - Budget and Actual	
General Fund .....	27
Recreation Fund.....	28
Schedule of Revenues, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	
Debt Service Fund .....	29
Capital Projects Fund .....	30

**NONMAJOR GOVERNMENTAL FUNDS**

Combining Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions.....	31
Combining Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances.....	32
Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	
Social Security and Medicare Fund (FICA) .....	33
Liability Insurance Fund.....	34
Lighting and Paving Fund .....	35
Audit Fund.....	36
Illinois Municipal Retirement Fund .....	37
Museum Fund.....	38
Special Recreation Fund.....	39
Notes to the Supplementary Information .....	40

**OTHER INFORMATION**

Illinois Municipal Retirement Fund	
Schedule of Employer Contributions .....	41
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios.....	42

1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

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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, 2019 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, 2019 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  
July 18, 2019

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

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

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

April 30, 2019

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 1,521,731
Capital assets not being depreciated	2,421,885
Capital assets being depreciated (net of accumulated depreciation)	<u>3,991,529</u>
Total assets	<u>7,935,145</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>7,935,145</u>
<b>LIABILITIES</b>	
Due within one year	
Deposits	2
Other accrued liabilities	2,375
Bonds payable	<u>860,000</u>
Total liabilities	<u>862,377</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>862,377</u>
<b>NET POSITION</b>	
Net investment in capital assets	6,293,962
Restricted for	
Social security	27,183
Liability insurance	98,901
Lighting and paving	43,659
Audit	4,399
Illinois municipal retirement fund	78,133
Museum	6,430
Special recreation	56,281
Debt service	10,248
Unrestricted	<u>453,572</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 7,072,768</u></u>

See accompanying notes to financial statements.





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

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

April 30, 2019

	General	Recreation
<b>ASSETS</b>		
Cash and investments	\$ 70,687	\$ 239,028
<b>TOTAL ASSETS</b>	<b>\$ 70,687</b>	<b>\$ 239,028</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Deposits	\$ -	\$ 2
Other accrued liabilities	2,375	-
Total liabilities	2,375	2
<b>FUND BALANCES</b>		
Non-spendable	-	-
Restricted		
Social security	-	-
Liability insurance	-	-
Lighting and paving	-	-
Audit	-	-
Illinois municipal retirement fund	-	-
Museum	-	-
Special recreation	-	-
Debt service	-	-
Capital projects	-	-
Unrestricted		
Assigned for recreation	-	239,026
Assigned for capital projects	-	-
Unassigned	68,312	-
Total fund balances	68,312	239,026
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 70,687</b>	<b>\$ 239,028</b>

(This statement is continued on the following page.)

<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 10,248	\$ 820,584	\$ 381,184	\$ 1,521,731
\$ 10,248	\$ 820,584	\$ 381,184	\$ 1,521,731
\$ -	\$ -	\$ -	\$ 2
-	-	-	2,375
-	-	-	2,377
-	-	66,198	66,198
-	-	27,183	27,183
-	-	98,901	98,901
-	-	43,659	43,659
-	-	4,399	4,399
-	-	78,133	78,133
-	-	6,430	6,430
-	-	56,281	56,281
10,248	-	-	10,248
-	745,993	-	745,993
-	-	-	239,026
-	74,591	-	74,591
-	-	-	68,312
10,248	820,584	381,184	1,519,354
\$ 10,248	\$ 820,584	\$ 381,184	\$ 1,521,731

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, 2019

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 1,519,354
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	6,413,414
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>(860,000)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ 7,072,768</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, 2019

	<b>General</b>	<b>Recreation</b>
<b>REVENUES COLLECTED</b>		
Taxes	\$ 326,683	\$ 192,061
Charges for services	-	231,028
Rental income	-	-
Donations and grants	50,069	257
Investment income	3,451	3,527
Miscellaneous	3,025	-
	383,228	426,873
<b>EXPENDITURES PAID</b>		
Current		
General government	217,524	-
Recreation	286,498	294,436
Capital outlay	-	-
Debt Service		
Principal retirement	-	-
Interest and fiscal charges	-	-
	504,022	294,436
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER OVER EXPENDITURES PAID</b>	<b>(120,794)</b>	<b>132,437</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bond proceeds	-	-
	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>(120,794)</b>	<b>132,437</b>
<b>FUND BALANCES, MAY 1</b>	<b>189,106</b>	<b>106,589</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 68,312</b>	<b>\$ 239,026</b>

(This statement is continued on the following page.)

<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 870,675	\$ -	\$ 200,129	\$ 1,589,548
-	-	-	231,028
-	788	-	788
-	-	-	50,326
1,397	9,104	2,560	20,039
-	64,700	-	67,725
<b>872,072</b>	<b>74,592</b>	<b>202,689</b>	<b>1,959,454</b>
-	-	68,842	286,366
-	108,070	113,206	802,210
-	815,201	-	815,201
860,000	-	-	860,000
11,782	13,500	-	25,282
<b>871,782</b>	<b>936,771</b>	<b>182,048</b>	<b>2,789,059</b>
290	(862,179)	20,641	(829,605)
-	860,000	-	860,000
-	860,000	-	860,000
290	(2,179)	20,641	30,395
9,958	822,763	360,543	1,488,959
<b>\$ 10,248</b>	<b>\$ 820,584</b>	<b>\$ 381,184</b>	<b>\$ 1,519,354</b>

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, 2019

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 30,395</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	701,383
Some expenses on the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(319,748)
Loss on disposal of capital assets	(9,853)
Contributions of capital assets are only reported on the statement of activities	470,420
The issuance of long-term debt is reported as an other financing source in the governmental funds but as an increase in principal outstanding in the statement of activities	(860,000)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	<u>860,000</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 872,597</u></u></b>

See accompanying notes to financial statements.

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

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

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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 and cash basis of accounting, which is a comprehensive basis of accounting, but which is not in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

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

b. Fund Accounting

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

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

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

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

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

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the modified cash basis statements of net position and activities) report information on all of the activities of the District. The effect of material interfund activity, other than interfund service transactions, has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. The District does not have any business type activities.

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

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

The District reports the following major governmental funds:

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

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

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

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



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

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

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

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

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

e. Cash and Investments

Investments with maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with maturity greater than one year at time of purchase, if any, are stated at fair value. The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District held no investments to measure at fair value at April 30, 2019.

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.

**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)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

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

g. Long-Term Obligations

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

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

h. Property Taxes

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

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

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

i. Net Position/Fund Balances

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

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

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

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

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the District's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

j. Use of Estimates

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

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

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**2. DEPOSITS AND INVESTMENTS**

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

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

Deposits with Financial Institutions

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

Investments

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

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

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

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

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

**3. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,301,984	\$ -	\$ -	\$ 2,301,984
Construction in progress	-	119,901	-	119,901
Total capital assets not being depreciated	<u>2,301,984</u>	<u>119,901</u>	<u>-</u>	<u>2,421,885</u>
Capital assets being depreciated				
Buildings	1,294,942	45,165	9,186	1,330,921
Land improvements	3,965,304	707,151	-	4,672,455
Machinery and equipment	1,371,493	40,813	383,373	1,028,933
Spring Lake facility	1,728,892	258,773	-	1,987,665
Total capital assets being depreciated	<u>8,360,631</u>	<u>1,051,902</u>	<u>392,559</u>	<u>9,019,974</u>
Less accumulated depreciation for				
Buildings	729,582	32,564	6,503	755,643
Land improvements	1,954,772	190,931	-	2,145,703
Machinery and equipment	1,124,466	48,890	376,203	797,153
Spring Lake facility	1,282,583	47,363	-	1,329,946
Total accumulated depreciation	<u>5,091,403</u>	<u>319,748</u>	<u>382,706</u>	<u>5,028,445</u>
Total capital assets being depreciated, net	<u>3,269,228</u>	<u>732,154</u>	<u>9,853</u>	<u>3,991,529</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 5,571,212</u>	<u>\$ 852,055</u>	<u>\$ 9,853</u>	<u>\$ 6,413,414</u>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
Recreation	<u>\$ 319,748</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<u>\$ 319,748</u>

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

**4. LONG-TERM DEBT**

The following is a summary of changes in long-term debt for governmental activities for the year ended April 30, 2019:

	Fund Debt Retired By	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
GOVERNMENTAL ACTIVITIES						
Bonds Series 2018	Debt Service	\$ 860,000	\$ -	\$ 860,000	\$ -	\$ -
Bonds Series 2019	Debt Service	-	860,000	-	860,000	860,000
TOTAL GOVERNMENTAL ACTIVITIES		\$ 860,000	\$ 860,000	\$ 860,000	\$ 860,000	\$ 860,000

General Obligation Bonds consist of the following:

A general obligation bond dated January 30, 2018 provides for retirement of principal of \$860,000 on January 1, 2019. Interest is payable on January 1 at a rate of 1.49%.

A general obligation bond dated January 31, 2019 provides for retirement of principal of \$860,000 on January 1, 2020. Interest is payable on January 1 at a rate of 2.20%.

**Debt Service to Maturity**

The annual requirements to amortize to maturity serial debt outstanding as of April 30, 2019 are as follows:

Fiscal Year Ending April 30,	General Obligation Bonds	
	Principal	Interest
2020	\$ 860,000	\$ 17,396
TOTAL	\$ 860,000	\$ 17,396

**5. RISK MANAGEMENT**

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

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

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**5. RISK MANAGEMENT (Continued)**

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.

**6. 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.

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

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

Illinois Municipal Retirement Fund (Continued)

*Plan Administration (Continued)*

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, 2018, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	11
Active employees	<u>6</u>
 TOTAL	 <u><u>30</u></u>

*Benefits*

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

*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 December 31, 2018 and 2019 as 4.21% and 3.93% of covered payroll, respectively.



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

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

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The District's net pension liability was measured as of December 31, 2018 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, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Asset valuation method	Market value

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

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2018 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.

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

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

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Asset)*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2018	\$ 1,572,321	\$ 2,036,867	\$ (464,546)
Changes for the period			
Service cost	30,606	-	30,606
Interest	114,442	-	114,442
Difference between expected and actual experience	68,560	-	68,560
Changes in assumptions	39,541	-	39,541
Employer contributions	-	12,474	(12,474)
Employee contributions	-	13,334	(13,334)
Net investment income	-	(120,241)	120,241
Benefit payments and refunds	(123,460)	(123,460)	-
Other (net transfer)	-	54,501	(54,501)
Net changes	129,689	(163,392)	293,081
BALANCES AT DECEMBER 31, 2018	\$ 1,702,010	\$ 1,873,475	\$ (171,465)

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

**6. 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, 2019, the District recognized pension expense of (\$21,580).

At April 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 40,708	\$ 2,135
Changes in assumption	23,478	8,797
Employer contributions after the measurement date	3,481	-
Net difference between projected and actual earnings on pension plan investments	127,033	-
<b>TOTAL</b>	<u>\$ 194,700</u>	<u>\$ 10,932</u>

\$3,481 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2020. 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 Ending April 30,	
2020	\$ 74,424
2021	36,764
2022	14,823
2023	54,276
<b>TOTAL</b>	<u>\$ 180,287</u>

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

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

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 7,177	\$ (171,465)	\$ (319,314)

**7. OTHER POSTEMPLOYMENT BENEFITS**

The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, no retired employees have chosen to stay in the District's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the District had no former employees for whom the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any postemployment benefit liability as of April 30, 2019.

**8. SUBSEQUENT EVENT**

On July 11, 2019, the District issued \$6,000,000 General Obligation Park Bonds, Series 2019A and \$8,000,000 General Obligation Park Bonds (Alternate Revenue Source), Series 2019B to build and equip a community center.

**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, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES COLLECTED</b>				
Taxes				
Property taxes	\$ -	\$ 260,000	\$ 256,077	\$ (3,923)
Personal property replacement tax	-	70,000	70,606	606
Donations and grants	-	-	50,069	50,069
Investment income	-	-	3,451	3,451
Miscellaneous	-	20,000	3,025	(16,975)
Total revenues collected	-	350,000	383,228	33,228
<b>EXPENDITURES PAID</b>				
Current				
General government	331,874	301,704	217,524	(84,180)
Recreation	448,418	407,653	286,498	(121,155)
Total expenditures paid	780,292	709,357	504,022	(205,335)
NET CHANGE IN FUND BALANCE	<u>\$ (780,292)</u>	<u>\$ (359,357)</u>	(120,794)	<u>\$ 238,563</u>
FUND BALANCE, MAY 1			<u>189,106</u>	
FUND BALANCE, APRIL 30			<u>\$ 68,312</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, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ 195,000	\$ 192,061	\$ (2,939)
Charges for services	-	171,100	231,028	59,928
Rental	-	15,500	-	(15,500)
Donations and grants	-	7,000	257	-
Investment income	-	-	3,527	3,527
	<hr/>			
Total revenues collected	-	388,600	426,873	45,016
<hr/>				
<b>EXPENDITURES PAID</b>				
Current				
Recreation				
Administrative	30,470	27,700	13,710	(13,990)
Recreation	162,195	147,450	157,219	9,769
Spring Lake	148,995	135,450	123,507	(11,943)
	<hr/>			
Total expenditures paid	341,660	310,600	294,436	(16,164)
<hr/>				
NET CHANGE IN FUND BALANCE	\$ (341,660)	\$ 78,000	132,437	\$ 61,180
<hr/>				
FUND BALANCE, MAY 1			106,589	
<hr/>				
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 239,026</b>	
<hr/>				

(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, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>ADMINISTRATIVE</b>				
Admin/clerical salaries	\$ 172,539	\$ 156,854	\$ 116,010	\$ (40,844)
Admin support	159,335	144,850	101,514	(43,336)
Total administrative	331,874	301,704	217,524	(84,180)
<b>PARK AND FACILITY EXPENSE</b>				
Maintenance salaries	314,383	285,803	189,114	(96,689)
Utilities	19,360	17,600	22,809	5,209
Equipment	20,350	18,500	9,339	(9,161)
Building/grounds	40,150	36,500	29,661	(6,839)
Miscellaneous	54,175	49,250	35,575	(13,675)
Total park and facility expense	448,418	407,653	286,498	(121,155)
<b>TOTAL EXPENDITURES</b>	<b>\$ 780,292</b>	<b>\$ 709,357</b>	<b>\$ 504,022</b>	<b>\$ (205,335)</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, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>ADMINISTRATIVE</b>				
Salaries	\$ 27,170	\$ 24,700	\$ 11,276	\$ (13,424)
Admin support	3,300	3,000	2,434	(566)
Total administrative	30,470	27,700	13,710	(13,990)
<b>RECREATION</b>				
Program	65,175	59,250	62,862	3,612
Driving range	13,970	12,700	9,057	(3,643)
Facilities	550	500	10,300	9,800
Golf course agreement	82,500	75,000	75,000	-
Total recreation	162,195	147,450	157,219	9,769
<b>SPRING LAKE</b>				
Salaries	79,200	72,000	63,094	(8,906)
Utilities	35,750	32,500	24,242	(8,258)
Programs	8,635	7,850	12,799	4,949
Operations	14,300	13,000	10,860	(2,140)
Building	6,600	6,000	10,147	4,147
Supplies	4,510	4,100	2,365	(1,735)
Total spring lake	148,995	135,450	123,507	(11,943)
<b>TOTAL EXPENDITURES</b>	<b>\$ 341,660</b>	<b>\$ 310,600</b>	<b>\$ 294,436</b>	<b>\$ (16,164)</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, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ 871,784	\$ 870,675	\$ (1,109)
Investment income	-	1,000	1,397	397
Total revenues collected	-	872,784	872,072	(712)
<b>EXPENDITURES PAID</b>				
Debt Service				
Principal retirement	946,000	860,000	860,000	-
Interest and fiscal charges	12,960	11,782	11,782	-
Total expenditures paid	958,960	871,782	871,782	-
NET CHANGE IN FUND BALANCE	\$ (958,960)	\$ 1,002	290	\$ (712)
FUND BALANCE, MAY 1			9,958	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 10,248</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  
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES COLLECTED</b>				
Investment income	\$ -	\$ -	\$ 9,104	\$ 9,104
Rental income	-	-	788	788
Miscellaneous income	-	-	64,700	64,700
<b>Total revenues collected</b>	<b>-</b>	<b>-</b>	<b>74,592</b>	<b>74,592</b>
<b>EXPENDITURES PAID</b>				
Current				
Recreation				
Personal services	-	-	99,835	99,835
Contractual services	-	-	8,235	8,235
Capital outlay	1,276,271	1,160,246	815,201	(345,045)
Debt service				
Interest and fiscal charges	14,300	-	13,500	13,500
<b>Total expenditures paid</b>	<b>1,290,571</b>	<b>1,160,246</b>	<b>936,771</b>	<b>(223,475)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER OVER EXPENDITURES PAID</b>	<b>(1,290,571)</b>	<b>(1,160,246)</b>	<b>(862,179)</b>	<b>298,067</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (out)	(309,493)	-	-	-
Bond proceeds	-	860,000	860,000	-
<b>Total other financing sources (uses)</b>	<b>(309,493)</b>	<b>860,000</b>	<b>860,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,600,064)</b>	<b>\$ (300,246)</b>	<b>(2,179)</b>	<b>\$ 298,067</b>
<b>FUND BALANCE, MAY 1</b>			<b>822,763</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 820,584</b>	

(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, 2019

	<b>Social Security and Medicare (FICA)</b>	<b>Liability Insurance</b>	<b>Lighting and Paving</b>	<b>Audit</b>	<b>Illinois Municipal Retirement</b>	<b>Museum</b>	<b>Special Recreation</b>	<b>Working Cash</b>	<b>Total</b>
<b>ASSETS</b>									
Cash and investments	\$ 27,183	\$ 98,901	\$ 43,659	\$ 4,399	\$ 78,133	\$ 6,430	\$ 56,281	\$ 66,198	\$ 381,184
<b>TOTAL ASSETS</b>	<b>\$ 27,183</b>	<b>\$ 98,901</b>	<b>\$ 43,659</b>	<b>\$ 4,399</b>	<b>\$ 78,133</b>	<b>\$ 6,430</b>	<b>\$ 56,281</b>	<b>\$ 66,198</b>	<b>\$ 381,184</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	66,198	66,198
Restricted									
Social security	27,183	-	-	-	-	-	-	-	27,183
Liability insurance	-	98,901	-	-	-	-	-	-	98,901
Lighting and paving	-	-	43,659	-	-	-	-	-	43,659
Audit	-	-	-	4,399	-	-	-	-	4,399
Illinois municipal retirement fund	-	-	-	-	78,133	-	-	-	78,133
Museum	-	-	-	-	-	6,430	-	-	6,430
Special recreation	-	-	-	-	-	-	56,281	-	56,281
Total fund balances	27,183	98,901	43,659	4,399	78,133	6,430	56,281	66,198	381,184
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 27,183</b>	<b>\$ 98,901</b>	<b>\$ 43,659</b>	<b>\$ 4,399</b>	<b>\$ 78,133</b>	<b>\$ 6,430</b>	<b>\$ 56,281</b>	<b>\$ 66,198</b>	<b>\$ 381,184</b>

(See independent auditor's report.)

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

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

For the Year Ended April 30, 2019

	Social Security and Medicare (FICA)	Liability Insurance	Lighting and Paving	Audit	Illinois Municipal Retirement	Museum	Special Recreation	Working Cash	Total
<b>REVENUES COLLECTED</b>									
Property taxes	\$ 34,955	\$ 4,994	\$ 12,805	\$ 9,987	\$ 9,987	\$ 24,968	\$ 102,433	\$ -	\$ 200,129
Interest income	369	833	125	120	346	246	376	145	2,560
Total revenues collected	35,324	5,827	12,930	10,107	10,333	25,214	102,809	145	202,689
<b>EXPENDITURES PAID</b>									
Current									
General government	8,139	49,279	-	8,500	2,924	-	-	-	68,842
Recreation	25,466	-	-	-	9,149	25,451	53,140	-	113,206
Total expenditures paid	33,605	49,279	-	8,500	12,073	25,451	53,140	-	182,048
NET CHANGE IN FUND BALANCES	1,719	(43,452)	12,930	1,607	(1,740)	(237)	49,669	145	20,641
FUND BALANCES, MAY 1	25,464	142,353	30,729	2,792	79,873	6,667	6,612	66,053	360,543
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 27,183</b>	<b>\$ 98,901</b>	<b>\$ 43,659</b>	<b>\$ 4,399</b>	<b>\$ 78,133</b>	<b>\$ 6,430</b>	<b>\$ 56,281</b>	<b>\$ 66,198</b>	<b>\$ 381,184</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, 2019

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ 35,000	\$ 34,955	\$ (45)
Investment income	-	-	369	369
Total revenues collected	-	35,000	35,324	324
<b>EXPENDITURES PAID</b>				
Current				
General government	9,858	8,961	8,139	(822)
Recreation	30,842	28,039	25,466	(2,573)
Total expenditures paid	40,700	37,000	33,605	(3,395)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (40,700)</u>	<u>\$ (2,000)</u>	1,719	<u>\$ 3,719</u>
FUND BALANCE, MAY 1			<u>25,464</u>	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 27,183</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, 2019

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ 5,000	\$ 4,994	\$ (6)
Investment income	-	-	833	833
Total revenues collected	-	5,000	5,827	827
<b>EXPENDITURES PAID</b>				
Current				
General government	36,275	32,977	49,279	16,302
Total expenditures paid	36,275	32,977	49,279	16,302
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (36,275)</b>	<b>\$ (27,977)</b>	<b>(43,452)</b>	<b>\$ (15,475)</b>
<b>FUND BALANCE, MAY 1</b>			142,353	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 98,901</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  
LIGHTING AND PAVING FUND

For the Year Ended April 30, 2019

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ 13,000	\$ 12,805	\$ (195)
Investment income	-	-	125	125
Total revenues collected	-	13,000	12,930	(70)
<b>EXPENDITURES PAID</b>				
Current				
Recreation	14,300	13,000	-	(13,000)
Total expenditures paid	14,300	13,000	-	(13,000)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (14,300)</u>	<u>\$ -</u>	12,930	<u>\$ 12,930</u>
<b>FUND BALANCE, MAY 1</b>			<u>30,729</u>	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 43,659</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, 2019

	<b>Appropriation</b>	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ 10,000	\$ 9,987	\$ (13)
Investment income	-	-	120	120
Total revenues collected	-	10,000	10,107	107
<b>EXPENDITURES PAID</b>				
Current				
General government	9,350	8,500	8,500	-
Total expenditures paid	9,350	8,500	8,500	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (9,350)</b>	<b>\$ 1,500</b>	1,607	<b>\$ 107</b>
<b>FUND BALANCE, MAY 1</b>			2,792	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 4,399</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  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2019

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ 10,000	\$ 9,987	\$ (13)
Investment income	-	-	346	346
Total revenues collected	-	10,000	10,333	333
<b>EXPENDITURES PAID</b>				
Current				
General government	4,529	4,117	2,924	(1,193)
Recreation	14,171	12,883	9,149	(3,734)
Total expenditures paid	18,700	17,000	12,073	(4,927)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (18,700)</u>	<u>\$ (7,000)</u>	(1,740)	<u>\$ 5,260</u>
FUND BALANCE, MAY 1			<u>79,873</u>	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 78,133</u>	

(See independent auditor's report.)

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

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

For the Year Ended April 30, 2019

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ 25,000	\$ 24,968	\$ (32)
Investment income	-	-	246	246
Total revenues collected	-	25,000	25,214	214
<b>EXPENDITURES PAID</b>				
Current				
Recreation	30,501	27,728	25,451	(2,277)
Total expenditures paid	30,501	27,728	25,451	(2,277)
NET CHANGE IN FUND BALANCE	<u>\$ (30,501)</u>	<u>\$ (2,728)</u>	(237)	<u>\$ 2,491</u>
FUND BALANCE, MAY 1			<u>6,667</u>	
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 6,430</u></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, 2019

	<u>Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES COLLECTED</b>				
Property taxes	\$ -	\$ 104,000	\$ 102,433	\$ (1,567)
Investment income	-	-	376	376
Total revenues collected	-	104,000	102,809	(1,191)
<b>EXPENDITURES PAID</b>				
Current				
Recreation	114,400	104,000	53,140	(50,860)
Total expenditures paid	114,400	104,000	53,140	(50,860)
<b>NET CHANGE IN FUND BALANCE</b>				
	<u>\$ (114,400)</u>	<u>\$ -</u>	49,669	<u>\$ 49,669</u>
<b>FUND BALANCE, MAY 1</b>				
			<u>6,612</u>	
<b>FUND BALANCE, APRIL 30</b>				
			<u><u>\$ 56,281</u></u>	

(See independent auditor's report.)

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

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2019

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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. Any expenditures in excess of the legally adopted appropriation must be approved by the Board of Commissioners through a supplemental appropriation. No supplemental appropriations were required during fiscal year 2019.

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

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

A budget is not adopted for the working cash fund.

The following funds had expenditures greater than the appropriation for the year ended April 30, 2019:

Fund	Actual Expenditures	Appropriation
Liability Insurance	\$ 49,279	\$ 36,275

## **OTHER INFORMATION**



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

ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Four Fiscal Years

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

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 25 years until the remaining period reaches ten years (then ten year rolling period); the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and price inflation of 2.75%.

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 Four Fiscal Years

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

**Assumption Changes:**

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

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

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

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

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

(See independent auditor's report.)