

FREEPORT PARK DISTRICT
Freeport, Illinois

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
MARCH 31, 2024



FREEMPORT PARK DISTRICT

Board of Commissioners

Dana Stewart, President (Current term expires May 2027)
Sally Petersen, Vice President (Current term expires May 2029)
Debbie Schwartz, Treasurer (Current term expires May 2029)
Denise McIlwain, Commissioner (Current term expires May 2027)
George Yarzak, Commissioner (Current term expires May 2025)

Interim Executive Director

Bruce Cubberley

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Freeport Park District
Freeport, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freeport Park District, Illinois, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Freeport Park District, Illinois, as of March 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Freeport Park District, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Freeport Park District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Freeport Park District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Freeport Park District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the Illinois Municipal Retirement Fund (IMRF) schedules, budgetary comparison information, and notes on pages 49 through 58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 supplementary information in accordance with auditing standards generally accepted in 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Freeport Park District's basic financial statements. The schedules listed in the table of contents as "Supplementary Information" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supplementary financial information on page 61 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lucas Group CPAs + Advisors, PLLC

Freeport, Illinois
August 8, 2024

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
March 31, 2024

As management of the Freeport Park District (the "Park District"), we offer the readers of the Park District's financial statements this narrative overview and analysis of the financial activities of the Freeport Park District for the year ended March 31, 2024.

The MD&A is provided at the beginning of the report to provide an overview of the Park District's financial position at March 31, 2024 and 2023, and the results of operations. This summary should not be taken as a replacement for the annual financial report, which consists of the financial statements, notes to the financial statements, required and supplementary information.

Using This Financial Report

The financial section of this annual report consists of four parts - Independent Auditor's Report, required supplementary information which includes the MD&A (this section), the basic financial statements, and other supplementary information.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required supplementary information section that further explains and supports the information in the financial statements.

In addition to all of the required financial statement elements, we have provided sections for combining statements to provide detail on non-major funds for additional supplementary information.

Government-Wide Financial Statements

The first two statements are government-wide financial statements that provide both short term and long term information about the Park District's overall financial status, similar to a private sector business. In the government-wide financial statements the Park District's activities are shown in two categories - governmental and business type activities. The Park District's basic services are general government, parks, building, and programs. Current operations of these activities are largely financed with property taxes.

The statement of net position presents information on all of the Park District's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Park District is improving or deteriorating. To assess the overall health of the Park District you need to consider additional non-financial factors such as the condition of the Park District's buildings and facilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. The government-wide financial statements are prepared under the accrual basis of accounting.

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
March 31, 2024

Fund Financial Statements

The fund financial statements provide more detailed information about the Park District's funds – not the Park District as a whole. Funds are accounting devices the Park District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law, while others are established to control and manage money for particular purposes or to show that the Park District is properly using certain revenues.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for each. By doing so, readers may better understand the long-term impact of the Park District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Park District maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for all these funds. Six of these ten governmental funds are considered major funds of the Park District. The Park District maintains one proprietary fund for the golf course which is also a major fund.

The Park District adopts annual budgets for all major governmental funds and certain other funds. A budgetary comparison statement has been provided for certain major governmental funds only, which is in compliance with GASB Statement No. 34.

General (Corporate) Fund Budgetary Variances

Revenues - The most significant revenues for the General Fund during fiscal year 2024 continue to be property and replacement taxes. Total revenues were approximately \$1,089,000 which was approximately \$72,000 less than the budgeted revenues.

Expenditures - Actual expenditures were less than budgeted disbursements in the General Fund by approximately \$209,000. The primary budgetary differences were related to less costly repairs and maintenance and miscellaneous expenses.

Recreation Fund Budgetary Variances

Revenues - The Recreation Fund receives most of its revenues from property taxes, replacement tax, and user fees. Total revenues were approximately \$1,005,000 which were approximately \$131,000 under budgeted revenues. The primary budgetary differences were related to a decrease in revenue received from replacement taxes.

Expenditures - The overall expenditures were less than the budgeted disbursements by approximately \$23,000. The primary budgetary differences were related to decreases in materials and supplies for recreation programs.

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
 March 31, 2024

Social Security/IMRF Fund Budget Variances

Revenues - The Social Security/IMRF Fund receives most of its revenues from taxes. The overall revenue were more than budgeted revenues by approximately \$10,000.

Expenditures - The overall expenditures were more than the budgeted disbursements by approximately \$5,000. This was primarily due to an increase in payroll related service expenses.

Museum Budget Variances

Revenues - The Museum Fund receives most of its revenues from property taxes. The overall revenue were less than the budgeted revenues by approximately \$2,000.

Expenditures - The overall expenditures were less than budgeted disbursements by approximately \$4,000. This was primarily due to a decrease in costs for grounds and facilities.

Condensed Financial Information

Net position is summarized in the table below:

Condensed Statement of Net Position as of March 31, 2024 and 2023

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets:						
Current assets	\$7,601,562	\$8,661,412	\$738,778	\$843,059	\$8,340,340	\$9,504,471
Non-current assets	<u>11,838,196</u>	<u>11,113,325</u>	<u>1,178,568</u>	<u>1,069,389</u>	<u>13,016,764</u>	<u>12,182,714</u>
Total assets	<u>19,439,758</u>	<u>19,774,737</u>	<u>1,917,346</u>	<u>1,912,448</u>	<u>21,357,104</u>	<u>21,687,185</u>
Deferred Outflows of Resources	<u>620,602</u>	<u>1,040,658</u>	-	-	<u>620,602</u>	<u>1,040,658</u>
Liabilities:						
Current liabilities	952,449	1,113,591	228,154	107,760	1,180,603	1,221,351
Non-current liabilities	<u>467,903</u>	<u>931,661</u>	<u>9,423</u>	<u>8,813</u>	<u>477,326</u>	<u>940,474</u>
Total liabilities	<u>1,420,352</u>	<u>2,045,252</u>	<u>237,577</u>	<u>116,573</u>	<u>1,657,929</u>	<u>2,161,825</u>
Deferred Inflows of Resources	<u>2,688,754</u>	<u>2,563,222</u>	-	-	<u>2,688,754</u>	<u>2,563,222</u>
Net Position:						
Net investment in capital assets	10,417,585	9,726,745	1,178,568	1,069,389	11,596,153	10,796,134
Restricted	3,159,099	3,410,858	-	-	3,159,099	3,410,858
Unrestricted	<u>2,374,570</u>	<u>3,069,318</u>	<u>501,201</u>	<u>726,486</u>	<u>2,875,771</u>	<u>3,795,804</u>
Total net position	<u>\$15,951,254</u>	<u>\$16,206,921</u>	<u>\$1,679,769</u>	<u>\$1,795,875</u>	<u>\$17,631,023</u>	<u>\$18,002,796</u>

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
 March 31, 2024

Condensed Financial Information (Continued)

The largest portion of the Park District's net position is reflected in its investments in capital assets (i.e., land, buildings, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Park District uses these assets to provide services. Therefore, these assets are not available for future spending. Although the Park District's investments in its capital assets are reported net of available debt, it should be noted that the resources required to repay this type of debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these types of liabilities.

The Park District's net position consists of net investment in capital assets, restricted net position, and unrestricted net position. Restricted net position represents assets which have restrictions determined by an outside party.

Unrestricted represents net position that has not been restricted by an outside party. This includes funds that the Park District has designated for specific uses as well as amounts that are contractually committed for goods and services.

Revenues, expenses, and changes in net position are summarized in the table below:

Condensed Statement of Activities for the year ended March 31, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program:						
Charges for services	\$ 211,113	\$ 221,078	\$948,588	\$847,464	\$1,159,701	\$1,068,542
Operating grants & contributions	6,244	4,419	13,985	3,470	20,229	7,889
Capital grants & contributions	31,872	206,911	-	-	31,872	206,911
General:						
Property taxes	2,534,240	2,424,092	-	-	2,534,240	2,424,092
Replacement tax	435,597	602,319	-	-	435,597	602,319
Other:						
Investment earnings	180,792	46,176	66,689	(2,061)	247,481	44,115
Miscellaneous	<u>119,587</u>	<u>156,855</u>	<u>-</u>	<u>-</u>	<u>119,587</u>	<u>156,855</u>
Total revenues	<u>\$3,519,445</u>	<u>\$3,661,850</u>	<u>\$1,029,262</u>	<u>\$848,873</u>	<u>\$4,548,707</u>	<u>\$4,510,723</u>

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
 March 31, 2024

Condensed Financial Information (Continued)

Condensed Statement of Activities for the year ended March 31, 2024 and 2023

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Expenses:						
General government	\$1,950,852	\$2,148,211	\$ -	\$ -	\$1,950,852	\$2,148,211
Public safety – police	104,875	75,793	-	-	104,875	75,793
Parks department	1,533,963	1,303,587	1,145,368	915,336	2,679,331	2,218,923
Development	156,155	510,322	-	-	156,155	510,322
Interest of debt	<u>29,267</u>	<u>11,675</u>	<u>-</u>	<u>-</u>	<u>29,267</u>	<u>11,675</u>
Total expenses	<u>3,775,112</u>	<u>4,049,588</u>	<u>1,145,368</u>	<u>915,336</u>	<u>4,920,480</u>	<u>4,964,924</u>
Excess/(Deficiency)	<u>(255,667)</u>	<u>(387,738)</u>	<u>(116,106)</u>	<u>(66,463)</u>	<u>(371,773)</u>	<u>(454,201)</u>
Transfers – internal activity	<u>-</u>	<u>20,770</u>	<u>-</u>	<u>(20,770)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$(255,667)</u>	<u>\$(366,968)</u>	<u>\$(116,106)</u>	<u>\$(87,233)</u>	<u>\$(371,773)</u>	<u>\$(454,201)</u>

Major sources of operating revenues for the Park District's governmental funds include property taxes, replacement taxes, grants, and fees.

Capital Asset and Long-Term Debt Activity

Capital Assets

The Park District's investment in capital assets at year-end totaled \$12,771,813 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, office furniture and equipment, and other equipment related to programs. There were \$1,366,780 of capital asset additions recorded during the year and \$777,681 of depreciation charges were expensed on the total capital assets. See Footnote (3) for details of capital assets.

Debt Activity

At March 31, 2024, the Park District had \$1,175,660 in debt which consists of general obligation bonds. See Footnote (4) for details of debt.

FREEPORT PARK DISTRICT
Management's Discussion and Analysis
March 31, 2024

Management's Analysis of the Park District's Overall Financial Position and Results of Operations

The Park District's total net position at March 31, 2024 was \$17,631,023. Net position for governmental activities decreased by \$255,667 during the fiscal year and net position for business-type activities decreased by \$116,106 during the fiscal year. The Statement of Net Position reflects an overall decrease in the Park District's total net position from the prior year of \$371,773.

The Park District's General Fund balance increased \$48,552 from the prior year. The Recreation Fund had a decrease of fund balance of \$200,503 from the prior year. The General Fund and Recreation Fund are the primary operating funds of the Park District.

The Park District has created financial stability through careful planning and use of our fund balances. The Park District will continue to complete capital improvements and repairs in accordance with our Capital Improvement Plan as well as continue to assess and implement the programming needs of our community.

Factors or Conditions Impacting Future Periods

Freeport Park District adopted a Master Plan in September 2021. Future goals include the expansion of trails and bicycle amenities; improving access to parks and facilities; collaborating with community partners to offer recreation programs; enhancing existing parks and facilities; and increasing biodiversity of natural areas. Improving the health, wellness and overall quality of life of the Park District's constituents continues to be paramount.

Contacting the Park District's Financial Management

This financial report is designed to provide our citizens, taxpayers and customers with a general overview of the Park District's finances and to demonstrate the Park District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Freeport Park District, 1122 S. Burchard Ave., Freeport, IL 61032.

FREEPORT PARK DISTRICT

Statement of Net Position

March 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash, cash equivalents, and investments	\$ 4,896,577	721,814	5,618,391
Investments in trust	68,872	-	68,872
Taxes receivable	2,636,113	-	2,636,113
Inventory	-	16,964	16,964
Total current assets	7,601,562	738,778	8,340,340
Non-current assets:			
Net pension asset - IMRF	244,951	-	244,951
Capital assets not being depreciated	3,006,534	560,000	3,566,534
Capital assets (net of accumulated depreciation)	8,586,711	618,568	9,205,279
Total non-current assets	11,838,196	1,178,568	13,016,764
Total assets	19,439,758	1,917,346	21,357,104
Deferred Outflows of Resources:			
Pension items - IMRF	620,602	-	620,602
Total assets and deferred outflows of resources	20,060,360	1,917,346	21,977,706

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Net Position (Continued)
March 31, 2024

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Liabilities:			
Current liabilities:			
Accounts payable	150,676	49,148	199,824
Accrued payroll liabilities	49,275	9,259	58,534
Compensated absences - current	12,449	4,711	17,160
Unearned revenue - charges for services	5,369	142,976	148,345
Unearned revenue - unredeemed gift certificates	2,020	22,060	24,080
Bonds payable - current portion	732,660	-	732,660
Total current liabilities	<u>952,449</u>	<u>228,154</u>	<u>1,180,603</u>
Noncurrent liabilities:			
Compensated absences - noncurrent portion	24,903	9,423	34,326
Bonds payable - noncurrent portion	443,000	-	443,000
Total noncurrent liabilities	<u>467,903</u>	<u>9,423</u>	<u>477,326</u>
Total liabilities	<u>1,420,352</u>	<u>237,577</u>	<u>1,657,929</u>
Deferred Inflows of Resources:			
Property taxes	2,608,311	-	2,608,311
Pension items - IMRF	80,443	-	80,443
Total liabilities and deferred inflows of resources	<u>4,109,106</u>	<u>237,577</u>	<u>4,346,683</u>
Net Position:			
Net investment in capital assets	10,417,585	1,178,568	11,596,153
Restricted for:			
Pension benefits	785,110	-	785,110
Debt service	150,040	-	150,040
Other purposes	2,223,949	-	2,223,949
Unrestricted	2,374,570	501,201	2,875,771
Total Net Position	<u>\$ 15,951,254</u>	<u>1,679,769</u>	<u>17,631,023</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Activities
For the Year Ended March 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 1,950,852	-	-	-	(1,950,852)	-	(1,950,852)
Public safety	104,875	605	-	-	(104,270)	-	(104,270)
Culture and recreation	1,533,963	210,508	6,244	31,872	(1,285,339)	-	(1,285,339)
Development	156,155	-	-	-	(156,155)	-	(156,155)
Interest on long-term debt	29,267	-	-	-	(29,267)	-	(29,267)
Total governmental activities	<u>3,775,112</u>	<u>211,113</u>	<u>6,244</u>	<u>31,872</u>	<u>(3,525,883)</u>	<u>-</u>	<u>(3,525,883)</u>
Business-type activities:							
Golf course	1,145,368	948,588	13,985	-	-	(182,795)	(182,795)
Total business-type activities	<u>1,145,368</u>	<u>948,588</u>	<u>13,985</u>	<u>-</u>	<u>-</u>	<u>(182,795)</u>	<u>(182,795)</u>
Total primary government	<u>\$ 4,920,480</u>	<u>1,159,701</u>	<u>20,229</u>	<u>31,872</u>	<u>(3,525,883)</u>	<u>(182,795)</u>	<u>(3,708,678)</u>
General revenues:							
Property taxes					\$ 2,534,240	-	2,534,240
Corporate replacement tax					435,597	-	435,597
Investment income					180,792	66,689	247,481
Miscellaneous					86,045	-	86,045
Gain/(loss) on sale of capital assets					33,542	-	33,542
Transfers:							
Transfers - internal activity					-	-	-
Total general revenues and transfers					<u>3,270,216</u>	<u>66,689</u>	<u>3,336,905</u>
Change in net position					(255,667)	(116,106)	(371,773)
Net position:							
Beginning					<u>16,206,921</u>	<u>1,795,875</u>	<u>18,002,796</u>
Ending					<u>\$ 15,951,254</u>	<u>1,679,769</u>	<u>17,631,023</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Balance Sheet
Governmental Funds
March 31, 2024

	<u>General</u> <u>Fund</u>	<u>Recreation</u> <u>Fund</u>	<u>Social Security/ Mun. Retire.</u> <u>Fund</u>	<u>Museum</u> <u>Fund</u>
Assets:				
Cash, cash equivalents, and investments	\$ 1,495,945	837,351	519,183	72,228
Investment in trust	-	68,872	-	-
Taxes receivable	904,347	544,967	147,858	142,130
Due from other funds	-	-	-	-
Total assets	<u>\$ 2,400,292</u>	<u>1,451,190</u>	<u>667,041</u>	<u>214,358</u>
Liabilities:				
Accounts payable	\$ 32,284	26,030	-	327
Accrued payroll liabilities	21,278	17,508	-	5,139
Unearned revenue - charges for services	-	5,369	-	-
Unearned revenue - gift certificates	-	2,020	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>53,562</u>	<u>50,927</u>	<u>-</u>	<u>5,466</u>
Deferred Inflows of Resources:				
Property taxes	<u>890,733</u>	<u>531,353</u>	<u>147,284</u>	<u>142,130</u>
Total liabilities and deferred inflows of resources	<u>944,295</u>	<u>582,280</u>	<u>147,284</u>	<u>147,596</u>
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Special revenue funds	-	868,910	519,757	66,762
Debt service fund	-	-	-	-
Committed to:				
Capital projects funds	-	-	-	-
Unassigned	<u>1,455,997</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,455,997</u>	<u>868,910</u>	<u>519,757</u>	<u>66,762</u>
Total liabilities, deferred inflows of resources, & fund balances	<u>\$ 2,400,292</u>	<u>1,451,190</u>	<u>667,041</u>	<u>214,358</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT

Balance Sheet (Continued)

Governmental Funds

March 31, 2024

	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash, cash equivalents, and investments	\$ 150,040	1,047,633	774,197	4,896,577
Investment in trust	-	-	-	68,872
Taxes receivable	611,086	-	285,725	2,636,113
Due from other funds	-	-	-	-
Total assets	\$ 761,126	1,047,633	1,059,922	7,601,562
Liabilities:				
Accounts payable	\$ -	91,708	327	150,676
Accrued payroll liabilities	-	-	5,350	49,275
Unearned revenue - charges for services	-	-	-	5,369
Unearned revenue - gift certificates	-	-	-	2,020
Due to other funds	-	-	-	-
Total liabilities	-	91,708	5,677	207,340
Deferred Inflows of Resources:				
Property taxes	611,086	-	285,725	2,608,311
Total liabilities and deferred inflows of resources	611,086	91,708	291,402	2,815,651
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Special revenue funds	-	-	768,520	2,223,949
Debt service fund	150,040	-	-	150,040
Committed to:				
Capital projects funds	-	955,925	-	955,925
Unassigned	-	-	-	1,455,997
Total fund balances	150,040	955,925	768,520	4,785,911
Total liabilities, deferred inflows of resources, & fund balances	\$ 761,126	1,047,633	1,059,922	7,601,562

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**
March 31, 2024

Fund balances of Governmental Funds		\$ 4,785,911
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 funds:		
Capital assets	26,237,450	
Accumulated depreciation	<u>(14,644,205)</u>	11,593,245
Net pension assets (liabilities) are not financial resources, and therefore, are not reported in the funds.		
		244,951
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	(1,175,660)	
Compensated absences	<u>(37,352)</u>	(1,213,012)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position.		
		<u>540,159</u>
Net position of governmental activities		\$ <u>15,951,254</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2024

	General Fund	Recreation Fund	Social Security/ Mun. Retire. Fund	Museum Fund
Revenues:				
Property taxes	\$ 811,316	493,127	138,852	138,537
Corporate replacement tax	213,076	213,076	9,445	-
Investment earnings	34,683	61,943	12,254	1,855
Building and other rentals	13,375	18,430	-	-
Charges & fees	-	166,365	-	-
Foundation reimbursement	-	-	-	-
Fines	-	-	-	-
Grants	-	27,094	-	-
J.A.T. Commission - reimbursements	-	-	-	-
Insurance reimbursement	2,550	-	-	-
Miscellaneous	13,852	24,899	-	34,242
Total revenue	1,088,852	1,004,934	160,551	174,634
Expenditures:				
Current:				
General government	1,007,603	656,536	116,752	-
Public safety	-	-	-	-
Culture and recreation	-	528,823	38,917	192,642
Development	-	-	-	-
Capital outlay	16,850	20,078	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,024,453	1,205,437	155,669	192,642
Excess (deficiency) of revenues over (under) expenditures	64,399	(200,503)	4,882	(18,008)
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in (out)	(15,847)	-	-	-
Total other financing sources (uses)	(15,847)	-	-	-
Net change in fund balances	48,552	(200,503)	4,882	(18,008)
Fund balances:				
Beginning	1,407,445	1,069,413	514,875	84,770
Ending	\$ 1,455,997	868,910	519,757	66,762

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Revenues, Expenditures,
and Changes in Fund Balances (Continued)

Governmental Funds

For the Year Ended March 31, 2024

	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 674,366	-	278,042	2,534,240
Corporate replacement tax	-	-	-	435,597
Investment earnings (losses)	1,841	48,423	19,793	180,792
Building and other rentals	-	-	-	31,805
Charges & fees	-	-	12,338	178,703
Foundation reimbursement	-	6,244	-	6,244
Fines	-	-	605	605
Grants	-	-	4,778	31,872
J.A.T. Commission - reimbursements	-	181,120	-	181,120
Insurance reimbursement	-	-	-	2,550
Miscellaneous	-	10,502	-	83,495
Total revenue	<u>676,207</u>	<u>246,289</u>	<u>315,556</u>	<u>3,667,023</u>
Expenditures:				
Current:				
General government	-	-	222,294	2,003,185
Public safety	-	-	104,875	104,875
Culture and recreation	-	-	83,119	843,501
Development	-	156,155	-	156,155
Capital outlay	-	1,122,967	28,500	1,188,395
Debt service:				
Principal	655,580	143,000	-	798,580
Interest	21,416	7,851	-	29,267
Total expenditures	<u>676,996</u>	<u>1,429,973</u>	<u>438,788</u>	<u>5,123,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(789)</u>	<u>(1,183,684)</u>	<u>(123,232)</u>	<u>(1,456,935)</u>
Other financing sources (uses):				
Bond proceeds	-	587,660	-	587,660
Proceeds from sale of capital assets	-	33,542	-	33,542
Transfers in (out)	-	-	15,847	-
Total other financing sources (uses)	<u>-</u>	<u>621,202</u>	<u>15,847</u>	<u>621,202</u>
Net change in fund balances	<u>(789)</u>	<u>(562,482)</u>	<u>(107,385)</u>	<u>(835,733)</u>
Fund balances:				
Beginning	<u>150,829</u>	<u>1,518,407</u>	<u>875,905</u>	<u>5,621,644</u>
Ending	<u>\$ 150,040</u>	<u>955,925</u>	<u>768,520</u>	<u>4,785,911</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental
Funds to the Statement of Activities**
For the Year Ended March 31, 2024

Net Change in Fund Balances - total governmental funds \$ (835,733)

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

Governmental funds report capital outlays as expenditures. However, they are capitalized and depreciated in the statement of activities:

Capital asset purchases capitalized	1,188,395	
Depreciation expense	(708,475)	
Gain/(loss) on sale of capital assets	-	479,920

The issuance of long-term debt is reported as an other financing source in the governmental funds but as an increase in outstanding principal in the statement of net position:

Bond proceeds		(587,660)
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The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities:

Bond payments	798,580	
Other debt	-	798,580

The change in the net pension liability/asset for the Illinois Municipal Retirement Fund is reported only in the statement of activities.

		563,508
--	--	---------

The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities.

		(493,464)
--	--	-----------

Certain revenue are reported as unavailable in the fund financial statements but are accrued and reported as revenue on the statement of activities.

		(181,120)
--	--	-----------

Some expenses in 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 compensated absences		302
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Change in net position of governmental activities \$ (255,667)

FREEPORT PARK DISTRICT
Statement of Net Position
Proprietary Fund - Golf Course
March 31, 2024

	Golf Course Enterprise Fund
Current Assets:	
Cash, cash equivalents, and investments	\$ 721,814
Inventory	16,964
Total current assets	738,778
Noncurrent Assets:	
Capital assets:	
Land (non-depreciable)	560,000
Depreciable, net of accumulated depreciation depreciation	618,568
Total noncurrent assets	1,178,568
Total Assets	1,917,346
Current Liabilities:	
Accounts payable	49,148
Accrued salaries	9,259
Compensated absences	4,711
Unearned revenue - charges for services	142,976
Unearned revenue - gift/golf certificates	22,060
Due to other funds	-
Total current liabilities	228,154
Noncurrent Liabilities:	
Compensated absences	9,423
Total noncurrent liabilities	9,423
Total Liabilities	237,577
Net Position:	
Net investment in capital assets	1,178,568
Unrestricted	501,201
Total Net Position	\$ 1,679,769

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Fund - Golf Course
For the Year Ended March 31, 2024

	Golf Course Enterprise Fund
Operating revenues:	
Charges for services	\$ 948,588
Total operating revenues	948,588
Operating expenses:	
Salaries	388,622
Contractual services	45,417
Utilities	36,343
Repairs and maintenance	127,732
Other supplies and expenses	478,048
Depreciation	69,206
Total operating expenses	1,145,368
Net operating income (loss)	(196,780)
Nonoperating revenue (expense):	
Investment income (loss)	66,689
Donations	13,985
Total nonoperating revenue (expense)	80,674
Net income (loss) before transfers	(116,106)
Other financing sources:	
Transfers in (out)	-
Total other financing sources	-
Change in net position	(116,106)
Net position:	
Beginning	1,795,875
Ending	\$ 1,679,769

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Cash Flows
Proprietary Fund - Golf Course
For the Year Ended March 31, 2024

	Golf Course Enterprise Fund
Cash flows from operating activities:	
Receipts from customers & users	\$ 1,027,177
Payments to suppliers	(651,455)
Payments to employees	(386,370)
Net cash provided (used) by operating activities	(10,648)
 Cash flows from non-capital financing activities:	
Donations	13,985
Net cash provided (used) by non-capital and related financing activities	13,985
 Cash flows from capital and related financing activities:	
Purchases of capital assets	(178,385)
Proceeds from disposal of capital assets	-
Net cash provided (used) by capital and related financing activities	(178,385)
 Cash flows used in investing activities:	
Investment income (loss)	66,689
Net cash provided (used) by investing activities	66,689
 Net increase (decrease) in cash and cash equivalents	(108,359)
 Cash and cash equivalents:	
Beginning	830,173
Ending	\$ 721,814

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Statement of Cash Flows (Continued)
Proprietary Fund - Golf Course
For the Year Ended March 31, 2024

	Golf Course Enterprise <u>Fund</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (196,780)
Adjustment to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	69,206
Changes in assets and liabilities:	
Inventory	(4,078)
Accrued salaries/compensated absences	2,252
Accounts payable	40,163
Unearned revenue - charges for services	76,626
Unearned revenue - gift/golf certificates	<u>1,963</u>
Net cash provided (used) by operating activities	\$ <u>(10,648)</u>

See Accompanying Notes to Financial Statements.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Freeport Park District, Illinois (the Park District) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP), as applied to government units. 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 Park District's accounting policies are described below.

A. The Park District is a municipal unit of local government authorized under Chapter 70 of the Illinois Compiled Statutes (ILCS), section 1205, governed by a five member elected Board of Park Commissioners. The Park District's major operations include public safety, golf course operations, recreation, development, and general government services. The Park District is located primarily in Freeport, Illinois.

B. Financial Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) 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.

In evaluating how to define the government, for financial reporting purposes, the Park District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

The Park District is a primary government unit and has determined that there are no component units required to be included in the financial statements.

C. Fund Accounting

The Park District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financial management by segregating transactions related to certain Park District functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: government and proprietary. Each category, in turn, is divided into separate fund types.

Governmental funds are used to account for all or most of a Park District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of long-term debt (debt service funds).

The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are usually provided to outside parties (enterprise funds).

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Park District. The effect of material inter-fund activity 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 fees and charges for support.

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

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

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds of the Park District are organized into two major categories: governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Park District or meets the following criteria:

- 1) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of the category type; and
- 2) Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The fund types of the reporting entity are described below:

Governmental Funds

The General Fund accounts for the resources devoted to finance the services traditionally associated with local government. Included in these services are general administration of the Park District and financial management. Any other activity for which a special fund has not been created is accounted for in the general fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources such as police fines, regular recreational programs (including pool revenue that are legally restricted to expenditures for certain purposes), and special recreational programs.

The Capital Projects Fund account for resources restricted for the acquisition or construction of specific capital projects or items. Funding is provided both through annual capital improvement bond sale proceeds and state and federal grants.

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the Park District other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of the principal and interest on the Park District's debt retirement requirements.

Proprietary Funds

The Park District reports the following major proprietary fund to account for business-like activities to the general public:

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Golf Course Enterprise Fund accounts for revenues and cost of operations of the Park District's golf course. These operations are financed similar to a private business enterprise; the intent is that the cost of the service is financed by user charges and the activities be measured on a net income basis.

The Funds are further classified as major or non-major as follows:

Fund	Description
Major:	
General Fund	See above for description
Special Revenue Funds:	
Recreation Fund	Accounts for activities of promoting and maintaining recreational programs of the Park District.
Social Security/Municipal Retirement Fund	Accounts for activities resulting from participation in the Illinois Municipal Retirement Program and the Federal government's Social Security program.
Museum Fund	Accounts for operation of the Park District's museum and functions. Funding is provided by property tax levy.
Debt Service Fund	See above for description
Capital Projects Fund	See above for description
Enterprise Fund:	
Golf Course Fund	See above for description
Non-major:	
Special Revenue Funds:	
Special Recreation Fund	Accounts for operation of the Park Districts special recreational programs. Funding is provided by property tax levy and program fees.
Tort Liability Fund	Accounts for the Park District's insurance and risk management.
Police Fund	Accounts for the operation of a portion of the expense salary of the Police Department. Funding is provided by property tax levy and assessed fines.
Audit Fund	Accounts for expenditures in connection with the Park District's annual compliance audit as mandated by state statute. Funding is proved by property tax levy.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the GASB issued Statement 34, the Park District may report any governmental fund as a major fund if the government's officials believe the fund is "particularly important to financial statement users". The Park District has chosen to include the Social Security/Retirement funds and Museum Fund as major even though the fund calculations do not classify them as major funds. The Park District views these funds as particularly important to the financial statement users.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred.

Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants, contributions and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days. The Park District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

The revenues susceptible to accrual are property taxes. Fees, admissions and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Park District reports deferred inflows of resources on its financial statements for property taxes, levied in the current year to finance the subsequent year's budget, since they do not meet both the "measurable" and "available" criteria for revenue recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflows of resources are removed from the financial statements and revenue is recognized.

F. Cash and Investments

The Park District maintains and controls several major cash accounts in which the general, special revenue, capital project funds, and the golf course funds are pooled but account for separately by fund. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at year end. An individual fund's monies in pooled cash accounts are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with maturity of ninety days or less are also considered to be "cash equivalents".

Occasionally one or more of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Park District Board. Negative balances incurred in pooled cash and investment at year end are shown as due to/from balances in the financial statements. At year end, no funds had deficit balances in the cash or investment commingled accounts.

For purposes of the proprietary fund Statement of Cash Flows, "cash, cash equivalents, and investments" include all demand and savings accounts, and certificate of deposits or short-term investments with an original maturity of three months or less.

All investment are recorded at their fair value based on quoted market prices. Cash deposits are reported at carrying amount which reasonably estimates fair value. Additional cash and investment disclosures are presented in Note (2).

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments of the District are limited by State law to the following:

1. Direct obligations of the U.S. Government or its agencies or instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Illinois is pledged.
2. Certificates of deposit or savings account which are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
3. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations.
4. Money market funds, regulated by the SEC and in which investment consist of the investment mentioned in the previous items 1, 2, and 3.

G. Inventory

The Park District owns and operates a municipal golf course. The course offers a Pro Shop with a varied full line of golf merchandise. Inventory is recorded at cost using the first-in/first-out (FIFO) method of valuation. Merchandise inventory is stated at lower of cost or net realizable value to reflect the amount of items on hand at March 31, 2024.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Interfund Receivables/Payables

During the course of operations, a few transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as interfund receivables/payables.

J. Receivables

In the government-wide financial statements, receivables consist of revenues at year-end and not yet received. The Park District considers the allowance for uncollectible accounts receivable and the allowance for uncollectible property taxes receivable as immaterial and therefor has chosen to not record an allowance for these items. Major receivable balances for the governmental activities include property taxes, replacement taxes, and grant funds. Business-type activities have no reported receivables.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

K. Property Taxes

The Park District annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by its Board of Commissioners. Property taxes are recognized as a receivable at the time they are levied. Revenue from property taxes is recognized as the taxes are collected in the year intended to finance or when they become available to be used to pay liabilities of the current period, generally considered to be within sixty days after year-end.

Revenue from those taxes which are not considered available is reported as a deferred inflow of resources.

The property tax calendar for the 2022 tax levy, for which the Park District records as revenue in the current fiscal year, is as follows:

Lien Date	January 1, 2022
Levy Date	December 6, 2022
Tax Bills Mailed (at least 30 days prior to first installment due date)	
First Installment Due	June, 2023
Second Installment Due	September, 2023

Property taxes are billed and collected by the County Treasurer. The 2023 tax levy, which attached as an enforceable lien on property as of January 1, 2023, has been recorded as a receivable as of March 31, 2024 as the tax was levied on December 5, 2023. However, since the tax will not be received within 60 days and is budgeted for use in the next fiscal year, the entire levy is also recorded as a deferred inflow of resources.

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

Capital assets, which include property, plant, equipment, vehicles, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Park District as assets with an initial, individual cost of \$10,000 or more with an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Donated capital assets are recorded at their acquisition value at the date of donation. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-50
Equipment	5-20
Vehicles	5-10
Infrastructure	25-40
Improvements	15-20

Infrastructure assets prior to April 1, 2004 have not been capitalized.

M. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. The long-term debt consist primarily of bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Park District. The liability for these compensated absences is recorded in the government-wide financial statements. Governmental funds report only the compensated absences liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

P. Fund Equity/Net Position

Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

The non-spendable classification contains amounts not in spendable form or legally or contractually required to be maintained intact.

Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or law or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation. The Park District reports restricted fund balance amounts for the debt service fund and special revenue funds imposed by tax levies.

Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the Park District's Board of Commissioners, and it takes an ordinance, resolution, or formal vote of approval to establish, modify, or rescind a fund balance commitment. Capital projects fund balances are reported as committed based on the Budget & Appropriation Ordinance.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts intended to be used for specific purposes are assigned. Assignments should not cause deficits in the unassigned fund balance. The Park District did not have any assigned fund balances at the end of the year.

Unassigned fund balance is the residual classification for the general fund and is used for any deficit fund balances.

When both restricted and unrestricted resources are available for use, the Park District uses restricted resources first, and then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, the Park District uses committed resources first, then assigned resources, and then unassigned resources as they are needed.

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 book value of capital assets less any long-term debt issued to acquire or construct the capital assets. All other net position that does not meet the definition of "restricted" or "net investment in capital assets" is classified as unrestricted net position.

Q. Special Accounts/Restrictions

Golf Course Capital Improvement Policy

The Park Board of Commissioners shall establish a separate "fund" within the Enterprise Fund to be name the Park Hills Capital Improvement Fund. The Park Board of Commissioners, by Board approved action, may transfer any net income derived from golf course operations annually into the Park Hills Capital Improvement Fund. For the purposes of this policy, net income is defined as operating revenues minus operating expenses less depreciation. Expenses from the Park Hills Capital Improvement Fund shall be included in the annual budget and Board approved based on the merit of each project. For the year ending March 31, 2024, the accumulated Board internal designation within the Enterprise Fund's unrestricted net position was \$337,689.

R. Budget Basis of Accounting

The Park District budgets for all General, Special Revenue, Proprietary, Debt Service and Capital Project Fund types. The Park District's budget is prepared on a basis consistent with generally accepted accounting principles, except the proprietary fund which adopts a current financial resources measurement focus budget in that depreciation is not budgeted and capital outlay is budgeted.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For each fund, total fund expenditures may not legally exceed the budgeted expenditures. The ordinance lapses at the end of each fiscal year.

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

- a) Prior to July 1, the Park District prepares an annual appropriation ordinance for the fiscal year commencing April 1 of that year. The ordinance includes proposed expenditures and the means of financing them.
- b) Legal spending and management control for Park District monies is at the fund level. The Park District may amend the ordinance after the first half of the year by a two-thirds vote of all Park District board members. The Board may make transfers between funds, but no appropriation may be reduced below an amount sufficient to cover such obligation.

S. 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 may affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Note 2. DEPOSITS AND INVESTMENTS

The Park District's cash and cash equivalents are considered to be cash on hand, demand deposits, public funds money market and short-term certificates of deposit with original maturities of three months or less from date of acquisition.

The Park District's investment policy allows funds to be invested in savings, money market accounts, certificates of deposit, Illinois Park District Liquid Asset Fund, Illinois Public Treasurer's Investment Pool and U.S. Government Securities backed by the full faith and credit of the U.S. Government.

Deposits or investments in financial institutions in excess of amounts of Federal Depository Insurance are to be collateralized with a third party for the benefit of the Park District. For pledged securities with a maturity in excess of one year, the market value at the time of pledging shall equal or exceed 110% of the portion of the deposit requiring collateralization.

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 2. DEPOSITS AND INVESTMENTS (Continued)

At March 31, 2024, the Park District's cash, cash equivalents, and investments consisted of the following:

Statement of Net Position

Cash, cash equivalents, and investments	\$ 5,618,391
Restricted: Investment in trust	<u>68,872</u>
Total cash, cash equivalents, and investments	<u>\$5,687,263</u>

Cash, cash equivalents, and investments as of March 31, 2024 consist of the following:

Cash on hand	\$ 1,219
Deposits with financial institutions	2,633,818
Investments in trust	68,872
Certificates of deposit	<u>2,983,354</u>
Total cash, cash equivalents, and investments	<u>\$5,687,263</u>

Separate bank accounts are not maintained for all Park District funds; instead, certain funds maintain their cash balances in a common checking account and a common investment account, with the accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund. Occasionally certain funds participating in the common bank account will incur overdrafts (deficit cash balances) in the account. A deficit in one fund restricts the cash available for use by the other funds in the same common bank account.

At March 31, 2024, the Park District's carrying amount of deposits and investments was \$5,617,172 and the bank balance was \$5,664,923, of which all were covered by federal depository insurance or by collateral held by the Park District's agent in the Park District's name.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Park District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investments in securities through use of mutual funds or governmental investment pools. The Park District's exposure to this risk is \$0 for marketable securities directly held by the investment corporation.

The Park Districts investments (fair value quoted at market prices) as of March 31, 2024 are considered Level 1 (traded in active exchange markets) with no risk rating and are as follows:

	<u>Fair Value</u>	<u>Cost</u>
Gelwick's Trust Account	<u>\$68,872</u>	<u>\$66,141</u>

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 3. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2024 was as follows:

	<u>Balance at</u> <u>3/31/2023</u>	<u>Additions</u>	<u>Deletions/</u> <u>Transfers</u>	<u>Balance at</u> <u>3/31/2024</u>
Governmental activities:				
Non-depreciable assets:				
Land	\$2,031,939	\$ -	\$ -	\$2,031,939
Construction in progress	<u>257,028</u>	<u>942,017</u>	<u>(224,450)</u>	<u>974,595</u>
Total non-depreciable assets	<u>2,288,967</u>	<u>942,017</u>	<u>(224,450)</u>	<u>3,006,534</u>
Depreciable assets:				
Buildings	9,107,413	224,450	-	9,331,863
Land improvements	10,983,553	123,684	-	11,107,237
Vehicles	560,125	28,500	-	588,625
Software	66,644	-	-	66,644
Machinery & equipment	<u>2,095,072</u>	<u>94,194</u>	<u>(52,719)</u>	<u>2,136,547</u>
Total depreciable assets	<u>22,812,807</u>	<u>470,828</u>	<u>(52,719)</u>	<u>23,230,916</u>
Totals at historical cost	<u>25,101,774</u>	<u>1,412,845</u>	<u>(277,169)</u>	<u>26,237,450</u>
Less accumulated depreciation:				
Buildings	4,242,170	191,286	-	4,433,456
Land improvements	7,796,463	361,673	-	8,158,136
Vehicles	455,434	33,236	-	488,670
Software	66,644	-	-	66,644
Machinery & equipment	<u>1,427,738</u>	<u>122,280</u>	<u>(52,719)</u>	<u>1,497,299</u>
Total accumulated depreciation	<u>13,988,449</u>	<u>708,475</u>	<u>(52,719)</u>	<u>14,644,205</u>
Governmental activities capital assets, net	<u>\$11,113,325</u>	<u>\$ 704,370</u>	<u>\$ (224,450)</u>	<u>\$11,593,245</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 18,013
Culture and recreation	<u>690,462</u>
Total depreciation expense, governmental activities	<u>\$ 708,475</u>

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 3. CAPITAL ASSETS (Continued)

	<u>Balance at 3/31/2023</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance at 3/31/2024</u>
Business-type activities:				
Land	\$ 560,000	\$ -	\$ -	\$ 560,000
Total non-depreciable assets	<u>560,000</u>	<u>-</u>	<u>-</u>	<u>560,000</u>
Depreciable assets:				
Buildings	894,542	132,945	-	1,027,487
Land improvements	1,884,276	-	-	1,884,276
Machinery & equipment	<u>1,538,985</u>	<u>45,440</u>	<u>-</u>	<u>1,573,825</u>
Total depreciable assets	<u>4,317,803</u>	<u>178,385</u>	<u>-</u>	<u>4,485,588</u>
Totals at historical cost	<u>4,877,803</u>	<u>178,385</u>	<u>-</u>	<u>5,045,588</u>
Less accumulated depreciation:				
Buildings	619,424	15,624	-	635,048
Land improvements	1,807,219	6,754	-	1,813,973
Machinery & equipment	<u>1,381,771</u>	<u>46,828</u>	<u>-</u>	<u>1,417,999</u>
Total accumulated depreciation	<u>3,808,414</u>	<u>69,206</u>	<u>-</u>	<u>3,867,020</u>
Business-type activities capital assets, net	<u>\$1,069,389</u>	<u>\$109,179</u>	<u>\$ -</u>	<u>\$1,178,568</u>

Note 4. LONG-TERM DEBT

A. The following is a summary of debt transactions of the Park District for the year ended March 31, 2024 and are to be repaid from governmental activities:

Limited Tax Park Bonds – Series 2023

Series 2023

Issue: \$655,580
 Dated: February 21, 2023
 Rate: 4.20%
 Principal & Interest: December 1
 Maturity Date: December 1, 2023

Limited Tax Park Bonds – Series 2024

Series 2024

Issue: \$587,660
 Dated: February 29, 2024
 Rate: 4.58%
 Principal & Interest: December 1
 Maturity Date: December 1, 2024

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 4. LONG-TERM DEBT (Continued)

Park Bonds – Series 2021B

<u>Series 2021B</u>	
Issue:	\$1,017,000
Dated:	June 1, 2021
Rate:	.65 - 1.27%
Principal & Interest:	March 1
Maturity Date:	March 1, 2028

Debt service requirements to maturity over the life of the bonds are as follows:

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 732,660	\$ 26,943	\$ 759,603
2026	146,000	5,186	151,186
2027	148,000	3,624	151,624
2028	149,000	1,892	150,892
2029	-	-	-
2030-2034	-	-	-
Total	<u>\$1,175,660</u>	<u>\$ 37,645</u>	<u>\$1,213,305</u>

G.O. Bonds were issued to fund the capital projects activities. Compensated absences are paid from the general and golf enterprise fund. All debt is paid from the capital projects fund and the debt service fund.

The following is a summary of changes in long-term debt for the year ended March 31, 2024:

	<u>Balance</u> <u>3/31/2023</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>3/31/2024</u>	<u>Due within</u> <u>One Year</u>
General obligation bonds	<u>\$1,386,580</u>	<u>\$587,660</u>	<u>\$798,580</u>	<u>\$1,175,660</u>	<u>\$732,660</u>

	<u>Balance</u> <u>3/31/2023</u>	<u>Change in</u> <u>Accrual</u>	<u>Balance</u> <u>3/31/2024</u>	<u>Current</u> <u>Portion</u>
Government activities:				
Compensated absences	\$37,654	\$ (302)	\$37,352	\$12,449
Business-type activities:				
Compensated absences	<u>13,219</u>	<u>915</u>	<u>14,134</u>	<u>4,711</u>
Total	<u>\$50,873</u>	<u>\$ 613</u>	<u>\$51,486</u>	<u>\$16,855</u>

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 4. LONG-TERM DEBT (Continued)

B. Legal Debt Margin

The Park District's aggregate indebtedness is subject to a statutory limitation by the State of Illinois of 2.875% of its equalized assessed value (EAV) of \$271,292,132. At March 31, 2024, the statutory limit for the Park District was \$7,799,649. The Park District's legal debt margin was \$6,623,989.

The Park District may issue general obligation bonds without submitting the proposition of the issue in a referendum as long as the aggregate balance of bonds and notes does not exceed 0.575% of the total equalized assessed value of the Park District. As of March 31, 2024, the limit on the nonreferendum general obligation bonds was \$384,270.

Note 5. EMPLOYEE RETIREMENT SYSTEMS

The Park District participates in two employee retirement/pension plan/systems as follows:

A Deferred Compensation Plan and the Illinois Municipal Retirement Fund (IMRF)

Deferred Compensation Plan

The Park District offers its employees a deferred compensation plan created in accordance with Internal Revenue code Section 457. The plan, available to all eligible employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan was approved to comply with IRC Section 457(g) which allows for the plan to hold its assets in trust. Under these requirements, the assets of the plan are not subject to the general creditors of the Park District, the Park District does not own the amount deferred by employees and, therefore, the liability and corresponding investment are not reflected in the financial statements.

IMRF Plan Description

The Park 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 Park District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-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.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Benefits Provided

The Park District's defined benefit pension plan has two tiers. 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 1-2/3% 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 1-2/3% 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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2023, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	19
Inactive plan members entitled to buy not yet receiving benefits	13
Active plan members	<u>23</u>
Total	<u>55</u>

Contributions

As set by statute, the Park 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 Park District's annual contribution rate for calendar year 2023 was 1.53%.

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

For the fiscal year ended March 31, 2024, the Park District contributed \$23,268 to the plan. The Park District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Park District's net pension liability was measured as of December 31, 2023. 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, 2023:

- 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 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%.
- 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 2023 valuation pursuant to an experience study of the period 2020-2022.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021, was used.
- **For Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021, was used.
- **For Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2010, was used.
- 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.

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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>Target Allocation</u>	<u>Return 12/31/2023</u>	<u>Projected Returns/Risk</u>	
			<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	34.50%	23.30%	6.35%	5.00%
International Equities	18.00%	19.64%	8.00%	6.35%
Fixed Income	24.50%	7.62%	4.85%	4.75%
Real Estate	10.50%	-4.15%	7.20%	6.30%
Alternatives:	11.50%	2.60%		
Private Equity	-	N/A	12.35%	8.65%
Hedge Funds	-	N/A	N/A	N/A
Commodities	-	N/A	7.20%	6.05%
Cash Equivalents	1.00%	5.23%	3.80%	3.80%

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 this 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 3.77%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability

Changes in the Park District's net pension liability for the year ended December 31, 2023 were as follows:

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 5. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	Pension Liability (A)	Plan Net Position (B)	Net Pension Liability (Asset) (A)-(B)
Balance at January 1, 2023	\$7,800,394	\$7,481,837	\$ 318,557
Service Costs	104,478	-	104,478
Interest on total pension liability	555,099	-	555,099
Difference between expected and actual experience	(104,322)	-	(104,322)
Changes in assumptions	(4,893)	-	(4,893)
Employer contributions	-	16,990	(16,990)
Employee contributions	-	49,971	(49,971)
Net investment income	-	835,088	(835,088)
Benefit payments – net of refunds	(392,196)	(392,196)	-
Administrative expense	-	-	-
Other changes (Net Transfer)	-	211,821	(211,821)
Net changes	158,166	721,674	(563,508)
Balances at December 31, 2023	\$7,958,560	\$8,203,511	\$ (244,951)

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% Decrease (6.25%)	Current Discount Rate Assumption (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 625,088	\$ (244,951)	\$ (955,969)

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

5. EMPLOYEE RETIREMENT SYSTEM (Continued)

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

For the year ended March 31, 2024, the Park District realized pension income of \$39,358. At March 31, 2024, the Park 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
Differences between expected and actual experience	\$ 161,118	\$ 76,839
Changes in assumptions	-	3,604
Net difference between projected and actual earnings on pension plan investments	449,011	-
Employer contributions subsequent to the measurement date	10,473	-
Total	\$ 620,602	\$ 80,443

The Park District reported \$10,473 as deferred outflows of resources to pension resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended March 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2025	\$ 157,464
2026	164,776
2027	277,273
2028	(59,354)
Thereafter	-
Total	\$ 540,159

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Park District has evaluated its potential other postemployment benefits (OPEB) liability. The Park District provides limited health insurance coverage for its eligible retired employees until age 65, when coverage ends. Former employees who choose to retain their rights to health insurance through the Park District are required to pay 100% of the current premium.

In addition, the Park District does not have any current employment contracts in place where the Park District has agreed to pay any future postemployment health insurance costs, and the Park District does not intend to offer to pay for any postemployment health insurance costs for any current or future employees.

Therefore, there is no implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* (which became effective for fiscal years beginning after June 15, 2017 and replaced GASB Statement No. 45), and the Park District has no current employees with agreements for future explicit subsidies upon retirement. Consequently, the Park District has not recorded any post-employment benefit liability as of March 31, 2024.

Note 7. RISK MANAGEMENT

The Park District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Park District purchases insurance as a participant in the Illinois Parks Association Risk Services, a public entity risk pool, to provide the Park District with such insurance coverage. The deductibles in effect through these policies as of March 31, 2024 range from \$0 - \$5,000. During the year ended March 31, 2024, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in each of the past three years. Potentially, the Park District could be assessed additional premiums for its share of any losses of the pool. Historically, the Park District has not been assessed any additional premiums.

Note 8. NET POSITION AND FUND BALANCES

Recreation Fund – Endowment Account

The Park District received a permanently restricted contribution during 1997 from Gelwicks Trust stipulating that the contribution is to be used solely for purposes of maintaining and updating the Oakdale Nature Preserve and Trails. The Park District invested these funds in a separate investment management account at State Bank – Freeport. All income and expenses relative to this activity have been recorded in the Recreation Fund and the cumulative remaining fund balance at March 31, 2024 of \$68,872 has been restricted within that fund.

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 8. NET POSITION AND FUND BALANCES (Continued)

Net position reported on the government wide statement of net position at March 31, 2024:

Governmental activities:

Net investment in capital assets		
Capital assets, net of accumulated depr.		\$11,593,245
Less: related long-term debt outstanding		<u>(1,175,660)</u>
Total net investment in capital assets		<u>\$10,417,585</u>
Restricted:		
Pension Benefits	State Pension	\$ 785,110
Special Revenue Fund	Donor Trust Restrictions	68,872
Debt Service	Enabling Legislation	150,040
Other Purposes	Enabling Legislation	<u>2,155,077</u>
Total restricted		<u>\$3,159,099</u>
Unrestricted		<u>\$2,374,570</u>
Total governmental activities net position		<u>\$15,951,254</u>

Governmental fund balances reported on the fund financial statements at March 31, 2024 include the following:

Restricted:		
State statutes and enabling legislation:		
Major Funds:		
Recreation Fund by enabling legislation		\$ 800,038
Recreation Fund by donation		68,872
Social Security by enabling legislation		153,547
IMRF by enabling legislation		366,210
Museum Fund by enabling legislation		66,762
Debt Service by enabling legislation		<u>150,040</u>
Total major funds		<u>1,605,469</u>
Nonmajor Funds:		
Special Recreation Fund by enabling legislation		120,579
Tort Liability Fund by enabling legislation		565,348
Police Fund by enabling legislation		55,048
Audit Fund by enabling legislation		<u>27,545</u>
Total nonmajor funds		<u>768,520</u>
Total restricted		<u>2,373,989</u>

FREEPORT PARK DISTRICT
Notes to Financial Statements
 March 31, 2024

Note 8. NET POSITION AND FUND BALANCES (Continued)

Committed:		
Capital Projects Fund	955,925	<u>955,925</u>
Unassigned:		
Major Funds:		
General Fund	1,455,997	<u>1,455,997</u>
Total unassigned major funds		<u>1,455,997</u>
Total governmental fund balances		<u>\$4,785,911</u>

Note 9. OPERATING BUDGET

The Park District is required statutorily to adopt a combined annual budget and appropriation ordinance. Such ordinance presents cash on hand at the beginning of the fiscal year, an estimate of cash expected to be received in the fiscal year, an estimated amount of expenditures contemplated in the fiscal year, and a statement of estimated cash on hand at the end of the fiscal year. The budgeted revenues and expenditures contemplated and reported in the financial statements represent the budgeted figures from the Park District's combined annual budget and appropriation. Funds listed below are those that exceed the combined annual budget and appropriation during fiscal year ending March 31, 2024:

<u>Fund</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Variance</u>
Police Fund	\$124,990	\$133,375	\$8,385
Social Sec/IMRF Fund	\$150,231	\$155,669	\$5,438

Note 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no interfund receivables and payables as of March 31, 2024.

The purpose of the individual interfund receivables and payables is due to temporary borrowings in the commingled cash and investment accounts to cover short-term cash flow shortages.

The individual fund interfund transfers as of March 31, 2024 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$15,847
Nonmajor Governmental Funds	15,847	-
Totals	<u>\$15,847</u>	<u>\$15,847</u>

FREEPORT PARK DISTRICT
Notes to Financial Statements
March 31, 2024

Note 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

The interfund transfers are approved during the budget approval process. An interfund transfer was made from the General Fund to the Audit Fund to restore the fund to a positive fund balance. These transfers will not be repaid.

Note 11. CONTINGENCIES

From time to time, the Park District is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Park District's financial position or results of operations.

FREEPORT PARK DISTRICT
Illinois Municipal Retirement Fund
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Calendar Years
(schedule to be built prospectively from 2015)

Calendar year ending December 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	\$ 104,478	\$ 83,705	\$ 91,249	\$ 107,785	\$ 98,556	\$ 92,119	\$ 103,612	\$ 105,887	\$ 102,775
Interest on the Total Pension Liability	555,099	518,849	488,180	447,831	423,827	406,651	387,477	365,352	350,254
Benefit Changes	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	(104,322)	264,045	196,474	360,854	56,498	(56,760)	83,035	(64,151)	(168,801)
Assumption Changes	(4,893)	-	-	(33,990)	-	163,189	(159,834)	-	-
Benefit Payments and Refunds	(392,196)	(361,785)	(336,439)	(298,910)	(205,905)	(163,176)	(142,602)	(79,279)	(89,675)
Net Change in Total Pension Liability	158,166	504,814	439,464	583,570	372,976	442,023	271,688	327,809	194,553
Total Pension Liability - Beginning	7,800,394	7,295,580	6,856,116	6,272,546	5,899,570	5,457,547	5,185,859	4,858,050	4,663,497
Total Pension Liability - Ending (a)	<u>\$7,958,560</u>	<u>\$7,800,394</u>	<u>\$ 7,295,580</u>	<u>\$ 6,856,116</u>	<u>\$ 6,272,546</u>	<u>\$ 5,899,570</u>	<u>\$ 5,457,547</u>	<u>\$ 5,185,859</u>	<u>4,858,050</u>
Plan Fiduciary Net Position									
Employer Contributions	\$ 16,990	\$ 43,974	\$ 36,076	\$ 38,578	\$ 24,436	\$ 51,100	\$ 55,858	\$ 57,406	\$ 64,809
Employee Contributions	49,971	50,397	42,498	44,974	44,520	41,358	40,477	43,636	42,889
Pension Plan Net Investment Income	835,088	(1,161,527)	1,312,733	955,320	1,073,515	(291,272)	873,724	348,956	26,741
Benefit Payments and Refunds	(392,196)	(361,785)	(336,439)	(298,910)	(205,905)	(183,176)	(142,602)	(79,279)	(89,675)
Other (Net Transfer)	211,821	6,605	43,827	18,884	82,301	86,659	52,072	52,208	(363,389)
Net Change in Plan Fiduciary Net Position	721,674	(1,422,336)	1,098,695	758,846	1,018,867	(295,331)	879,529	422,927	(318,625)
Plan Fiduciary Net Position - Beginning	7,481,837	8,904,173	7,805,478	7,046,632	6,027,765	6,323,096	5,443,567	5,020,640	5,339,265
Plan Fiduciary Net Position - Ending (b)	<u>\$8,203,511</u>	<u>\$7,481,837</u>	<u>\$ 8,904,173</u>	<u>\$ 7,805,478</u>	<u>\$ 7,046,632</u>	<u>\$ 6,027,765</u>	<u>\$ 6,323,096</u>	<u>\$ 5,443,567</u>	<u>5,020,640</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	(244,951)	318,557	(1,608,593)	(949,362)	(774,086)	(128,195)	(865,549)	(257,708)	(162,590)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.08%	95.92%	122.05%	113.85%	112.34%	102.17%	115.86%	104.97%	103.35%
Covered Valuation Payroll	\$ 1,110,465	\$ 1,104,876	\$ 944,415	\$ 999,432	\$ 989,329	\$ 919,074	\$ 899,488	\$ 969,682	\$ 953,082
Net Pension Liability as a Percentage of Covered Valuation Payroll	-22.06%	28.83%	-170.33%	-94.99%	-78.24%	-13.95%	-96.23%	-26.58%	-17.06%

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Illinois Municipal Retirement Fund
 Multiyear Schedule of Contributions
 Last 10 Fiscal Years (prospective from 2015)

Fiscal Year Ending March 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2016	\$ 65,501	\$ 65,501	-	\$ 1,002,831	6.53%
2017	57,384	57,384	-	957,579	5.99%
2018	54,434	54,434	-	901,878	6.04%
2019	44,093	44,093	-	936,808	4.71%
2020	28,421	28,421	-	999,392	2.84%
2021	36,498	36,498	-	947,805	3.85%
2022	38,437	38,437	-	995,046	3.86%
2023	37,004	37,004	-	1,075,598	3.44%
2024	23,838	23,838	-	1,139,346	2.09%

Estimated based on 3.94% 2024 calendar year contribution rate, 1.53% 2023 calendar contribution rate, and covered valuation payroll of \$1,139,346.

The Park District implemented GASB Statement No. 68 in March 31, 2016.

FREEPORT PARK DISTRICT
 Required Supplementary Information
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance - Budget and Actual
General Fund
 For the Year Ended March 31, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Taxes:			
Property taxes	\$ 815,247	811,316	(3,931)
Corporate replacement tax	275,057	213,076	(61,981)
Total taxes	<u>1,090,304</u>	<u>1,024,392</u>	<u>(65,912)</u>
Investment income	<u>50,000</u>	<u>34,683</u>	<u>(15,317)</u>
Miscellaneous:			
Building rentals	-	13,375	13,375
Insurance reimbursement	10,000	2,550	(7,450)
Miscellaneous	11,000	8,015	(2,985)
Total miscellaneous	<u>21,000</u>	<u>23,940</u>	<u>2,940</u>
Intergovernmental:			
Grants - state	-	-	-
State gasoline tax refund	-	5,837	5,837
Total intergovernmental	<u>-</u>	<u>5,837</u>	<u>5,837</u>
Total revenues	<u><u>1,161,304</u></u>	<u><u>1,088,852</u></u>	<u><u>(72,452)</u></u>
Expenditures:			
General government:			
Personal services:			
Administrative	172,165	159,942	12,223
Maintenance	358,654	350,807	7,847
Total personal services	<u>530,819</u>	<u>510,749</u>	<u>20,070</u>
Other services and charges:			
Medical insurance	63,575	51,607	11,968
Insurance:			
Self insurance pool	-	-	-
Workers compensation	-	-	-
Unemployment compensation/services	-	-	-
Utilities	58,600	64,897	(6,297)
Total other services and charges	<u>122,175</u>	<u>116,504</u>	<u>5,671</u>

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
 Required Supplementary Information
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance - Budget and Actual (Continued)
General Fund
 For the Year Ended March 31, 2024

	Original & Final Budget	Actual	Variance Positive (Negative)
Materials and supplies:			
Office materials and supplies	17,500	9,129	8,371
Publicity	1,500	1,170	330
Total materials and supplies	19,000	10,299	8,701
Other general government:			
Dues and subscriptions	6,000	11,111	(5,111)
Legal services	16,000	2,497	13,503
Professional fees	54,499	43,872	10,627
Staff training/first aid & testing	-	-	-
Computer service hardware/software	12,500	11,320	1,180
Pre-employment testing	1,500	2,032	(532)
Repair and maintenance:			
Grounds and facilities	320,750	269,178	51,572
Vehicles	9,000	12,089	(3,089)
Equipment	16,000	16,941	(941)
Miscellaneous	125,000	17,861	107,139
Total other general government	561,249	386,901	174,348
Total expenditures	1,233,243	1,024,453	208,790
Excess (deficiency) of revenues over (under) expenditures	(71,939)	64,399	136,338
Other financing sources (uses):			
Transfer from other funds - administrative services	-	-	-
Transfer in (out)	(15,847)	(15,847)	-
Net change in fund balance	\$ (87,786)	48,552	136,338
Fund balance			
Beginning		1,407,445	
Ending		\$ 1,455,997	

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Required Supplementary Information
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Recreation Fund
For the Year Ended March 31, 2024

	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 496,994	493,127	(3,867)
Corporate replacement tax	275,057	213,076	(61,981)
Investment earnings	40,000	61,943	21,943
Building and other rentals	16,700	18,430	1,730
Recreation programs - charges & fees	209,013	166,365	(42,648)
Sales	67,650	-	(67,650)
Grants	-	27,094	27,094
Miscellaneous	30,152	24,899	(5,253)
Total revenues	1,135,566	1,004,934	(130,632)
Expenditures:			
General government and administration:			
Personal services:			
Administrative	228,517	240,684	(12,167)
Maintenance	182,356	193,513	(11,157)
Total personal services	410,873	434,197	(23,324)
Other services and charges:			
Medical insurance	47,683	48,316	(633)
Credit card fee	4,000	4,066	(66)
Utilities	14,000	18,993	(4,993)
Miscellaneous	16,476	-	16,476
Total other services and charges	82,159	71,375	10,784
Materials and supplies:			
Office materials and supplies	14,000	4,487	9,513
Office equipment repairs	20,000	18,999	1,001
Publicity	57,500	56,455	1,045
Motor fuel	40,000	37,885	2,115
Brochure printing	500	500	-
Dues and subscriptions	3,600	738	2,862
Training and education	-	234	(234)
Custodial	33,500	31,375	2,125
Professional fees	33,500	-	33,500
Miscellaneous	-	291	(291)
Total materials and supplies	202,600	150,964	51,636
Total general government	695,632	656,536	39,096

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
 Required Supplementary Information
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance - Budget and Actual (Continued)
Recreation Fund
 For the Year Ended March 31, 2024

	Original & Final Budget	Actual	Variance Positive (Negative)
Expenditures (continued):			
Culture and recreation:			
Program expenditures	458,366	480,972	(22,606)
Computer service hardware/software	10,000	8,738	1,262
Grounds and facilities repair	51,500	45,409	6,091
Miscellaneous	12,500	13,782	(1,282)
Total culture and recreation	532,366	548,901	(16,535)
Total expenditures	1,227,998	1,205,437	22,561
Excess (deficiency) of revenues over (under) expenditures	(92,432)	(200,503)	(108,071)
Other financing sources (uses):			
Transfers in (out)	-	-	-
Net change in fund balance	\$ (92,432)	(200,503)	(108,071)
Fund balance			
Beginning		1,069,413	
Ending		\$ 868,910	

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
 Required Supplementary Information
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance - Budget and Actual (Continued)
Social Security/Municipal Retirement Fund
 For the Year Ended March 31, 2024

	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 140,071	138,852	(1,219)
Corporate replacement tax	10,000	9,445	(555)
Interest	-	12,254	12,254
Miscellaneous	-	-	-
Total revenues	150,071	160,551	10,480
Expenditures:			
General government, public safety, and culture and recreation:			
Administrative - payroll taxes	150,231	155,669	(5,438)
Total expenditures	150,231	155,669	(5,438)
Excess (deficiency) of revenues over (under) expenditures	(160)	4,882	5,042
Other financing sources (uses):			
Transfers in (out)	-	-	-
Net change in fund balance	\$ (160)	4,882	5,042
Fund balance			
Beginning		514,875	
Ending		\$ 519,757	

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
 Required Supplementary Information
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance - Budget and Actual (Continued)
Museum Fund
 For the Year Ended March 31, 2024

	Original & Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 139,755	138,537	(1,218)
Charges & fees	-	-	-
Interest	1,000	1,855	855
Other	36,085	34,242	(1,843)
	<u>176,840</u>	<u>174,634</u>	<u>(2,206)</u>
Expenditures:			
Culture & recreation:			
Salaries - administration	82,851	84,949	(2,098)
Salaries - maintenance	56,673	56,580	93
Contractual - medical insurance	28,774	26,511	2,263
Utilities	13,350	13,018	332
Alarm monitoring	1,700	1,747	(47)
Professional services	-	-	-
Materials and supplies	-	297	(297)
Equipment repair	-	487	(487)
Dues and subscriptions	500	-	500
Brochure printing/postage	-	-	-
Computer service hardware/software	-	1,122	(1,122)
Motor fuel - gasoline	1,000	1,000	-
Repairs - grounds and facilities	12,000	6,931	5,069
Miscellaneous	-	-	-
	<u>196,848</u>	<u>192,642</u>	<u>4,206</u>
Excess (deficiency) of revenues over (under) expenditures	(20,008)	(18,008)	2,000
Other financing sources (uses):			
Transfers in (out)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (20,008)</u>	<u>(18,008)</u>	<u>2,000</u>
Fund balance			
Beginning		<u>84,770</u>	
Ending		<u>\$ 66,762</u>	

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
Notes to Required Supplementary Information
March 31, 2024

Illinois Municipal Retirement Fund
Summary of Actuarial Methods and Assumptions
Used in the Calculation of the 2023 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 2023 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing Bodies: 10-year rolling period, Taxing bodies (Regular, SLEP, and ECO groups): 20-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; three employers were financed over 24 years; four employers were financed over 25 years; and one employer was financed over 26 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	2.75%
Price Inflation	2.25%
Salary Increases	2.75% to 13.75% including inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-210 Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-210, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active member, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes There were no benefit changes during the year.

**Based on Valuation Assumptions used in the December 31, 2021 actuarial valuation.*

FREEPORT PARK DISTRICT
Notes to Required Supplementary Information
March 31, 2024

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets are adopted on a basis consistent with generally accepted accounting principles, except the proprietary funds which adopt a current financial resources measurement focus budget in that depreciation is not budgeted and capital outlay is budgeted. Annual appropriated budgets are adopted (at the fund level) for the General, all Special Revenue, Debt Service, Capital Projects and Enterprise funds on the modified accrual basis with a line items basis by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year-end.

The Park District follows these procedures in establishing the budgetary date reflected in the financial statements.

- A. The Park District Executive Director submits to the Board of Commissioners a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. The budget is legally enacted by Board of Commissioners action. This is the amount reported as original budget.
- D. The Board of Commissioners is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriations of any fund must be approved by following the same procedures as adopting the original budget.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year.
- F. All budgets for these funds are adopted on a basis consistent with U.S. generally accepted accounting principles.
- G. Budgetary authority lapses at year-end.
- H. State law requires that "expenditures be made in conformity with appropriations/budget." As under the budget act, transfers between line items, departments and funds may be made by administrative action. No budget amendments were made during the year. The level of legal control is at the fund level.
- I. The following major Special Revenue Fund had expenditures that exceed appropriated budgets: Social Security/IMRF Fund.

FREEPORT PARK DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2024

	Special Revenue				
	Special Recreation Fund	Tort Liability Fund	Police Fund	Audit Fund	Total
Assets:					
Cash, cash equivalents, and investments \$	123,866	565,469	57,317	27,545	774,197
Taxes receivable	98,018	114,187	61,258	12,262	285,725
Total assets	221,884	679,656	118,575	39,807	1,059,922
Liabilities:					
Accounts payable	327	-	-	-	327
Accrued wages	2,960	121	2,269	-	5,350
Due to other funds	-	-	-	-	-
Total liabilities	3,287	121	2,269	-	5,677
Deferred inflows of resources:					
Property taxes	98,018	114,187	61,258	12,262	285,725
Total liabilities and deferred inflows of resources	101,305	114,308	63,527	12,262	291,402
Fund balances:					
Restricted	120,579	565,348	55,048	27,545	768,520
Unassigned	-	-	-	-	-
	120,579	565,348	55,048	27,545	768,520
Total liabilities, deferred inflows of resources, and fund balances	\$ 221,884	679,656	118,575	39,807	1,059,922

See Independent Auditor's Report.

FREEPORT PARK DISTRICT
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
Nonmajor Governmental Funds
 For the Year Ended March 31, 2024

	Special Revenue				Total
	Special Recreation Fund	Tort Liability Fund	Police Fund	Audit Fund	
Revenues:					
Property taxes	\$ 94,694	111,058	60,230	12,060	278,042
Charges for services	12,338	-	-	-	12,338
Fines	-	-	605	-	605
Investment income	1,451	16,118	1,756	468	19,793
Grants - state	-	4,778	-	-	4,778
Miscellaneous	-	-	-	-	-
Total revenues	108,483	131,954	62,591	12,528	315,556
Expenditures:					
General government	-	200,794	-	21,500	222,294
Public safety	-	-	133,375	-	133,375
Culture and recreation	83,119	-	-	-	83,119
Total expenditures	83,119	200,794	133,375	21,500	438,788
Excess of revenues over expenditures	25,364	(68,840)	(70,784)	(8,972)	(123,232)
Other financing sources (uses):					
Operating transfers in	-	-	-	15,847	15,847
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	15,847	15,847
Net change in fund balances	25,364	(68,840)	(70,784)	6,875	(107,385)
Fund balances:					
Beginning	95,215	634,188	125,832	20,670	875,905
Ending	\$ 120,579	565,348	55,048	27,545	768,520

See Independent Auditor's Report.

**FREEPORT PARK DISTRICT
Assessed Valuations and Property Tax Rates,
Extensions and Collections**

	2023		2022		2021	
Assessed valuations	\$	<u>271,292,132</u>	\$	<u>243,850,444</u>	\$	<u>229,116,209</u>
Property tax rates						
	Maximum	Actual	Maximum	Actual	Maximum	Actual
Corporate	0.35000	0.32833	0.35000	0.33561	0.35000	0.33212
Recreation	0.37000	0.19586	0.37000	0.20382	0.37000	0.20636
Speical Recreation	0.04000	0.03613	0.04000	0.03918	0.04000	0.04125
Museum	0.07000	0.05239	0.07000	0.05732	0.07000	0.05885
Social Security	0.00000	0.04607	0.00000	0.04748	0.00000	0.04289
IMRF	0.00000	0.00822	0.00000	0.00997	0.00000	0.02195
Bond and Interest	0.00000	0.22525	0.00000	0.27902	0.00000	0.26978
Audit	0.00500	0.00452	0.00500	0.00499	0.00500	0.00499
Insurance	0.00000	0.04209	0.00000	0.04595	0.00000	0.04678
Police	0.02500	<u>0.02258</u>	0.02500	<u>0.02492</u>	0.02500	<u>0.02494</u>
Total tax rate		<u>0.96144</u>		<u>1.04826</u>		<u>1.04991</u>
Property tax extensions:						
Corporate		890,733		818,386		760,941
Recreation		531,353		497,016		472,804
Speical Recreation		98,018		95,541		94,510
Museum		142,130		139,775		134,835
Social Security		124,984		115,780		98,268
IMRF		22,300		24,312		50,291
Bond and Interest		611,086		680,392		618,110
Audit		12,262		12,168		11,433
Insurance		114,187		112,049		107,181
Police		<u>61,258</u>		<u>60,768</u>		<u>57,142</u>
	\$	<u>2,608,311</u>	\$	<u>2,556,187</u>	\$	<u>2,405,514</u>
Property tax collections:						
Total levied taxes collected	\$	<u>-</u>	\$	<u>2,534,240</u>	\$	<u>2,424,092</u>
Percentage of extensions collected:		<u>0.00%</u>		<u>99.14%</u>		<u>100.77%</u>

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