



**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



SIKICH.COM

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HICKORY HILLS, ILLINOIS
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HICKORY HILLS, ILLINOIS
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of
Park Commissioners
Hickory Hills Park District
Hickory Hills, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Hickory Hills Park District, Hickory Hills, Illinois (the District), as of and for the year ended April 30, 2019, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Change in Accounting Principle

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses and modified certain disclosures in the notes to financial statements and the required supplementary information as discussed in Note 11 to the basic financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Sikich LLP

Naperville, Illinois
August 12, 2019

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

HICKORY HILLS PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDING APRIL 30, 2019

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

Financial Highlights

- The District's total net position at April 30, 2019 was \$7,178,709. The term "net position" represents the difference between total assets and deferred outflows, and total liabilities and deferred inflows.
- Net position increased \$151,460 for the year ended April 30, 2019, improving the District's financial condition.
- The District issued \$550,000 of GO Limited Tax Park Bond in December 2016. The District will be using these funds to pay for building, maintaining, improving and protecting existing land and facilities. The District issued \$2,445,000 of GO Limited Tax Park Bond, Series 2010 in January 2010. The District received an AA rating by Standard and Poor's for this bond. This rating represents a three notch rating upgrade since the District's last bond issue in 2004. The District used a large portion of these funds to pay for a \$2.2 million expansion and renovation of the Krueger Park Recreation Center. The building opened to the public in May 2011.

Overview of Financial Statements

Management's discussion and analysis serves as an introduction to the District's financial statements. The financial statements of the District are intended to provide the reader with an understanding of the financial position of the District as of the close of the fiscal year and the results of activities for the year then ended.

The Statements of Net Position and Activities (Government-Wide Financial Statements) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The Statement of Net Position presents the District's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Increases or decreases in net position are one indicator of whether the District's financial condition has improved or deteriorated. The Statement of Activities reports how the District's net position changed during the fiscal year based on revenues and expenses. It shows the net expense of the District's activities and the general revenue, primarily property taxes, financing these activities.

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances (Governmental Fund Financial Statements) report how the District's services were financed in the short-term, as well as what remains for future spending. These statements report more detail than the government-wide financial statements by providing information about the District's most significant funds. The significant funds (major funds) are separately reported and non-major funds are combined and reported as other funds.

The Government-Wide Financial Statements report activity similar to a for-profit-entity, using the accrual basis of accounting. The Governmental Fund Financial Statements focus on current financial resources, using the modified accrual basis of accounting. Reconciliations of the Government-Wide and Fund Financial statements are provided in the accompanying financial statements.

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

Budgetary comparison schedules are also provided for the general fund and major special revenue fund (recreation fund), as required supplementary information. These schedules are useful in comparing how the District's expenditures were made in comparison to budgeted amounts.

Financial Analysis

Condensed Statement of Net Position

| | <u>April 30, 2018</u> | <u>April 30, 2019</u> |
|--|-----------------------|-----------------------|
| Current and Other Assets | \$4,519,957 | \$4,337,097 |
| Capital Assets | <u>6,116,902</u> | <u>6,239,435</u> |
| Total Assets | <u>\$10,636,859</u> | <u>\$10,576,532</u> |
| | | |
| Deferred Outflows | <u>\$ 154,783</u> | <u>\$ 341,687</u> |
| | | |
| Liabilities | \$2,609,778 | \$2,137,287 |
| Deferred Inflows | <u>1,087,674</u> | <u>1,602,223</u> |
| Total Liabilities and Deferred Inflows | <u>\$3,697,452</u> | <u>\$3,739,510</u> |
| | | |
| Invested in Capital Assets, Net of Related Debt | \$5,279,420 | \$5,435,777 |
| Restricted | 412,123 | 363,899 |
| Unrestricted | <u>1,402,647</u> | <u>1,379,033</u> |
| Total Net Position | <u>\$7,094,190</u> | <u>\$7,178,709</u> |

As can be seen from the statement above, 41% of the District's assets were current at April 30, 2019 and consisted primarily of cash (\$3,575,734) and property tax receivable for the 2018 levy (\$752,473). Current and other assets increased from April 30, 2018 to April 30, 2019 because cash balances received from the 2010 and 2016 bond proceeds continue to be used for capital improvement projects. The remaining assets are capital assets, which increased \$122,533 from April 30, 2018 to April 30, 2019 due primarily to capital assets additions (\$473,920) exceeding depreciation expense (\$265,444) in the year ended April 30, 2019. Current liabilities decreased due to the completion of capital projects (reduced accounts payable). Long-term liabilities decreased due to the annual bond payment.

Condensed Statement of Activities

| | | |
|---|--------------|--------------|
| Program Revenues: | | |
| Program Fees | \$ 834,021 | \$ 801,157 |
| Donations | 8,650 | 8,325 |
| Total Program Revenues | 842,671 | 809,482 |
| General Revenues: | | |
| Property Taxes | 1,383,752 | 1,403,099 |
| Intergovernmental/ Bond Proceeds | - | 19,503 |
| Grants | 390,300 | - |
| Interest & Investment Income | 31,824 | 35,829 |
| Miscellaneous | 4,584 | 5,190 |
| Total General Revenues | 1,810,460 | 1,463,621 |
| | 2,653,131 | 2,273,103 |
| Total Revenues | | |
| | | |
| Expenses | | |
| Recreation Services | 1,927,556 | 2,056,116 |
| Interest on Long-Term Debt | 75,352 | 65,527 |
| | 2,002,908 | 2,121,643 |
| Total Expenses | | |
| Change in Net Position | 650,223 | 151,460 |
| | | |
| Net Position, Beginning of Year | 6,443,967 | 7,094,190 |
| Prior period adjustment | - | (66,941) |
| Net Position, Beginning of Year, Restated | 6,443,967 | 7,027,249 |
| Net Position, End of Year | \$ 7,094,190 | \$ 7,178,709 |

The statement of activities shows the nature and source of the changes in net position during the current fiscal year.

Program number of registrations decreased from 17,664 in 17/18 to 17,025 in 18/19. Program revenues for the year ended April 30, 2019 decreased from the previous fiscal year from \$834,021 to \$801,157. The number of classes offered was 1393 in 2018 and 1387 in 2019. Other recreation services, such as Fitness Center and Splash Pad decreased. The Fitness Center gross revenue was \$58,304 in 17/18 and to \$51,952 in 18/19. The splash pad gross revenue was \$10,674 in 2017 and \$10,455 in 2018 and expenses \$6,033 in 2017 and \$1,638 in 2018. The net for splash pad was -\$23,824 in 2017 and -\$17,080 due to depreciation of assets and security cameras (\$4,400) added to the splash pad in 2017. After School, Preschool, and Dance are tracked separately since they bring in large participant numbers. After School first began in 2012/2013 school year with 6-8 children on average and within the past two years the average has been 48-50 children per day. After School participants decreased from 8,747 in 17/18 to 8,296 in 18/19 based on registrations. Preschool decreased from 194 to 157 students because the teacher to student ration 12 to 1 and changed to 10 to 1 due to accepted children under 3.5 years of age. Net revenue for preschool was \$27,049 in 17/18 and \$31,664 in 18/19. A preschool teacher retired so the preschool salaries decreased since the new teacher was hired at a lower rate of pay. The dance program participants were 863 in 17/18 and 860 in 18/19. Net revenue for dance programs was \$72,028 in 17/18 and \$72,580 in 18/19. To accommodate long wait lists for dance classes, several classes were moved to the preschool room and there was a growth in private lessons. Also, the district took over dance costume coordination from the lead dance teacher in 2014. The costume revenue was \$28,653 in 17/18 and \$25,768 in 18/19 and expenses were \$21,353 in 17/18 and \$20,325 in 18/19. Net profit from costumes will be used for equipment and supplies.

The summer, and spring decreased and fall and winter programs increased. The summer programs had a 8% decrease The largest decrease was from adult programs which was 50% from softball and exercise classes. Special events decreased because we booked \$5,000 in carnival rides for Street Fair versus \$2,100 in kiddie rides. Early childhood classes decreased by 29% and youth programs by 37% due to lower enrollment. Trips decreased by 36% because the Taste of Chicago trip was canceled and the White Sox trip lost \$64. Camps enrollment decreased from 548 in 2017 to 536 in 2018. Winter programs increased by 3.5%. All senior programs and card games had an increase for an overall net of \$235 in 2017 and \$1,586 in 2018. Adult programs had a net of \$235 in 2018 and \$1,586 in 2018 due to Zumba growing since there was a new teacher and a new card game was added. Also, early childhood had a 38% increase from Munchkin Open Gym. Spring programs decreased by 37%. The largest decrease was from the carnival which had a net of \$41,000 in 2018 and \$21,000 in 2019. The grounds were too wet so not as many rides were set up and the temperature was cold and raining all four days of the carnival. Early childhood had a 70% decrease because most tot programs were canceled due to low enrollment. Also, trips had a 50% decrease because the weeklong trip net was \$3,119 in 2018 and \$931 in 2019. The fall programs had an increase of 20%. Enrollment increased from 1,861 in 2017 to 2,051 in 2018. Also, the Fall Festival had a net of \$2,623. This event has had a loss for over 20 years but the weather was perfect and we added a few carnival kiddie rides to boost sales. Tot, youth and teen programs increased as well as trips. Adult, senior and contractual programs had decreases.

The District accepted \$8,325 in donations. First Midwest Bank donated \$3,000 for special events and senior luncheons and the fire and police departments donated \$2,200 to National Night Out. The City of Hickory Hills donated \$825 for the Children's Christmas Party. Various vendors donated \$100 to \$500 which offset the deficits of special events and senior programs.

Corporate expenses increased by 1% (\$6,545). Legal expenses decreased by 40% because the previous year we had several large construction projects and bids and contracts that had to be reviewed. Contractual service increased by 24% from a garage gate and door repair, pipe breaking during the winter and wood pole inspection at Martin Park. The maintenance salaries decreased because April salaries were coded to the recreation fund. There was a 27% increase in gas due to prices going up. Vehicle repairs increased by 63%. The 2004 Dump Truck had to have three injectors replaced for \$3,619. Maintenance staff held off on purchasing some items due to large increases in the vehicle repairs so janitorial, seed, sod and fertilizer, small equipment and park improvements all decreased in expenses. Employee health insurance increased by 1%. PPO increased 1.5% and HMO 6.7% from 2018 to 2019 with only one employee on HMO and eight employees on PPO.

Recreation expenses decreased by 3% (\$33,759) in the year ended April 30, 2019 compared to the prior fiscal year. However, there was a transfer of funds to capital in 2017 for \$122,000 and \$100,000 in 2018 to pay for Kasey Meadow Park improvements. Salaries increased by an average of 6.37% mainly for hourly full time, part time and seasonal employees because of the minimum wage increase. Some employees are still at \$9.60 to \$10.50 and the minimum wage for Chicago and Cook County was \$12 for Chicago and \$11 for Cook County in 2018. Also, large corporate employers are starting full time employees with benefits at \$15 per hour. Conference and training decreased by 52% because the staff did not go to the national park conference and less staff attended the Illinois conference. Public relations decreased by 59% due to not needed to purchase software and any other PR items. Contractual expense decreased by 2% due to lower enrollment in contractual programs such as karate and gymnastics. Utilities increased by 12% due to electric usage going up and water increased when new meters were installed and the City increased their prices. Great America ticket sales

decreased by 25%. Program supplies decreases by 27% since program revenue decreased by 7%. Program refunds decreased by 40% (\$6,193). Trip expenses decreased by 4% due to lower enrollment. Skate park expenses decreased by 35% due to not purchasing as much skatelite since the park will be renovated in 2020.

Financial Analysis of the District's Funds

Combined fund balances were \$2,719,541 at April 30, 2019. As of April 30, 2019, the General, Recreation, Debt Service and Capital Projects Fund Balances (District's major funds) were \$603,397, \$1,391,583, \$308,650 and \$356,342, respectively, of which all are unreserved and available for future operations of the District, except for debt service and capital projects. Revenue for all funds was \$2,273,103 and total expenditures were \$2,514,801. Expenses exceeded revenue by \$241,698.

There was a transfer from Recreation to Capital for \$100,000 for the Kasey Meadow Park Project which was completed in the summer of 2017.

Budgetary Highlights

Actual revenue was lower than budgeted in the General (\$3,976) fund due to tax distributions and replacement tax received. Actual expenses were lower than budgeted in the General (\$60,154) fund due to expenses not needed as much as the previous year and budgeted expenditures set conservatively high. Actual revenue was higher than budgeted revenue for the Recreation fund (\$9,570) due to program fee revenue being higher than expected. Actual expenditures were higher than the final budgeted expenditures for the Recreation (\$139,550) fund primarily to budgeted expenditures being set conservatively high. This fiscal year the auditors required that we recognize a \$21,803 unrealized gain on US Treasuries in the income section of the corporate fund and this amount was not budgeted and will not be budgeted in future years.

Capital Assets

As of April 30, 2019, the District had invested \$10,451,491 (before accumulated depreciation of \$4,212,056) in a broad range of capital assets as shown in the table below.

Depreciation expense was \$265,444 for the year ended April 30, 2019. There were **\$473,920** in additions and \$337,303 in retirements to capital assets in the year ended April 30, 2019.

| | <u>April 30, 2018</u> | <u>April 30, 2019</u> |
|--|-----------------------|-----------------------|
| Land (not being depreciated) | \$ 841,290 | \$ 863,397 |
| Construction in Progress (not being depr.) | - | 58,795 |
| Land Improvements | 1,639,462 | 2,758,285 |
| Buildings | 6,394,418 | 5,460,792 |
| Playground and Equipment | 1,235,811 | 1,106,329 |
| Vehicles | <u>203,893</u> | <u>203,893</u> |
| Cost of Capital Assets | 10,314,874 | 10,451,491 |
| Less: Accumulated Depreciation | <u>4,197,972</u> | <u>4,212,056</u> |
| Net Capital Assets | <u>\$ 6,116,902</u> | <u>\$ 6,239,435</u> |

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

Debt

Following is a summary of debt transactions for the years ended April 30, 2018 and 2019:

| | <u>2018</u> | <u>2018</u> |
|--------------------------|---------------------|---------------------|
| Bonds Payable, Beginning | \$ 1,760,000 | \$ 1,465,000 |
| Bonds Issued | - | - |
| Principal Payments | <u>(295,000)</u> | <u>(305,000)</u> |
| Bonds Payable, Ending | <u>\$ 1,465,000</u> | <u>\$ 1,160,000</u> |

Long-term debt consisted of the following issuance at April 30, 2019:

Bonds were issued in December 2016 for \$550,000. Bonds were issued on January 1, 2010 for \$2,445,000. The bond proceeds are to be used for capital improvement projects.

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

Economic Factors and Next Years' Budgets

Following are significant items for the next fiscal year:

- Construction will begin as soon as the OSLAD grant agreement is signed by IDNR for Kasey Meadow Park Phase III which includes the skate park, basketball courts, in-line skating and tennis court renovation. The grant amount will be \$368,200 for a total project budgeted cost of \$736,400.
- Designs and bids will be written for the Cynthia Neal Administration and Recreation Center renovation projected to begin in the spring of 2020. The estimated cost is between \$2,400,000.
- New phone system \$10,000.
- Purchase two new pieces for the fitness center (\$11,500).
- Purchase and install financial and recreation software (Budget amount \$41,500).
- Cut lips KM ballfield (\$6,200).
- Storage container (\$4,000).
- Ball field drag for Gator (\$3,200).
- Irrigation repair at Krueger Park (\$3,000).

Requests for Information:

This financial report is designed to provide a general overview of the District's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District.

End of Management Discussion and Analysis

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

STATEMENT OF NET POSITION

April 30, 2019

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Cash and investments | \$ 3,575,734 |
| Property taxes receivable (net, where applicable, of allowances for uncollectibles) | 752,473 |
| Prepaid expenses | 8,890 |
| Other receivables | - |
| Capital assets not being depreciated | 922,192 |
| Capital assets being depreciated (net of accumulated depreciation) | <u>5,317,243</u> |
| Total assets | <u>10,576,532</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension items - IMRF | <u>341,687</u> |
| Total deferred outflows of resources | <u>341,687</u> |
| Total assets and deferred outflows of resources | <u>10,918,219</u> |
| LIABILITIES | |
| Accounts payable | 16,846 |
| Accrued interest payable | 19,836 |
| Accrued payroll | 33,111 |
| Unearned revenue | 79,529 |
| Noncurrent liabilities | |
| Due within one year | 326,912 |
| Due in more than one year | <u>1,661,053</u> |
| Total liabilities | <u>2,137,287</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred property tax revenue | 1,488,070 |
| Pension items - IMRF | 112,096 |
| OPEB items | <u>2,057</u> |
| Total deferred inflows of resources | <u>1,602,223</u> |
| Total liabilities and deferred inflows of resources | <u>3,739,510</u> |
| NET POSITION | |
| Net investment in capital assets | 5,435,777 |
| Restricted for | |
| Capital projects | - |
| Debt service | 304,330 |
| Special recreation | 28,620 |
| Police protection | 541 |
| Insurance | 30,408 |
| Unrestricted | <u>1,379,033</u> |
| TOTAL NET POSITION | <u><u>\$ 7,178,709</u></u> |

See accompanying notes to financial statements.

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2019

| | General | Recreation | Capital Projects |
|--|---------------------|---------------------|---------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| ASSETS | | | |
| Cash and investments | \$ 853,643 | \$ 1,721,132 | \$ 363,984 |
| Property taxes receivable (net, where applicable, of allowances for uncollectibles) | 248,790 | 233,882 | - |
| Prepaid items | 2,389 | 2,181 | - |
| | | | |
| Total assets | 1,104,822 | 1,957,195 | 363,984 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| None | - | - | - |
| | | | |
| Total deferred outflows of resources | - | - | - |
| | | | |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 1,104,822 | \$ 1,957,195 | \$ 363,984 |
| | | | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 2,232 | \$ 6,972 | \$ 7,642 |
| Accrued payroll | 8,254 | 24,857 | - |
| Unearned program revenue | - | 79,529 | - |
| | | | |
| Total liabilities | 10,486 | 111,358 | 7,642 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable property tax revenue | 490,939 | 454,254 | - |
| | | | |
| Total deferred inflows of resources | 490,939 | 454,254 | - |
| | | | |
| Total liabilities and deferred inflows of resources | 501,425 | 565,612 | 7,642 |
| | | | |
| FUND BALANCES | | | |
| Nonspendable | | | |
| Prepaid items | 2,389 | 2,181 | - |
| Restricted | | | |
| Capital projects | - | - | 356,342 |
| Debt service | - | - | - |
| Police program | - | - | - |
| Special recreation | - | - | - |
| Insurance | - | - | - |
| Unrestricted | | | |
| Assigned for recreation programs | - | 1,389,402 | - |
| Unassigned | | | |
| General Fund | 601,008 | - | - |
| | | | |
| Total fund balances | 603,397 | 1,391,583 | 356,342 |
| | | | |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 1,104,822 | \$ 1,957,195 | \$ 363,984 |
| | | | |

| | Debt Service | Nonmajor Governmental | Total Governmental |
|----|-------------------------|----------------------------------|-------------------------------|
| \$ | 502,606 | \$ 134,369 | \$ 3,575,734 |
| | 185,731 | 84,070 | 752,473 |
| | 4,320 | - | 8,890 |
| | <u>692,657</u> | <u>218,439</u> | <u>4,337,097</u> |
| | - | - | - |
| | - | - | - |
| \$ | <u>692,657</u> | <u>\$ 218,439</u> | <u>\$ 4,337,097</u> |
| \$ | - | \$ - | \$ 16,846 |
| | - | - | 33,111 |
| | - | - | 79,529 |
| | - | - | <u>129,486</u> |
| | <u>384,007</u> | <u>158,870</u> | <u>1,488,070</u> |
| | <u>384,007</u> | <u>158,870</u> | <u>1,488,070</u> |
| | <u>384,007</u> | <u>158,870</u> | <u>1,617,556</u> |
| | 4,320 | - | 8,890 |
| | - | - | 356,342 |
| | 304,330 | - | 304,330 |
| | - | 541 | 541 |
| | - | 28,620 | 28,620 |
| | - | 30,408 | 30,408 |
| | - | - | 1,389,402 |
| | - | - | <u>601,008</u> |
| | <u>308,650</u> | <u>59,569</u> | <u>2,719,541</u> |
| \$ | <u>692,657</u> | <u>\$ 218,439</u> | <u>\$ 4,337,097</u> |

See accompanying notes to financial statements.

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

April 30, 2019

| | |
|--|--------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 2,719,541 |
|--|--------------|

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

| | |
|---|-----------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds | 6,239,435 |
|---|-----------|

| | |
|--|---------|
| Differences between expected and actual experiences, assumption changes and net difference 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 | 229,591 |
|--|---------|

| | |
|--|---------|
| Differences between expected and actual experiences, assumption changes and net difference between projected and actual earnings and contributions subsequent to the measurement date for the total OPEB liability are recognized as deferred outflows and inflows of resources on the statement of net position | (2,057) |
|--|---------|

| | |
|--|-----------------|
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds | |
| General obligation bonds | (1,160,000) |
| Net pension liability - IMRF | (735,841) |
| Total OPEB liability | (69,122) |
| Compensated absences | (23,002) |
| Interest payable | <u>(19,836)</u> |

| | |
|--|-----------------------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 7,178,709</u></u> |
|--|-----------------------------------|

See accompanying notes to financial statements.

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2019

| | General | Recreation | Capital Projects |
|---|--------------------------|----------------------------|-----------------------------|
| REVENUES | | | |
| Taxes | \$ 465,105 | \$ 418,872 | \$ - |
| Intergovernmental | - | - | - |
| Charges for services | - | 801,157 | - |
| Investment income | 14,026 | - | - |
| Net increase (decrease) in the fair value of investments | 21,803 | - | - |
| Donations | - | 8,325 | - |
| Other | 5,190 | - | - |
| Total revenues | <u>506,124</u> | <u>1,228,354</u> | <u>-</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 465,846 | - | - |
| Recreation | - | 1,095,250 | - |
| Capital outlay | - | - | 371,176 |
| Debt service | | | |
| Principal retirement | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total expenditures | <u>465,846</u> | <u>1,095,250</u> | <u>371,176</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>40,278</u> | <u>133,104</u> | <u>(371,176)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | 100,000 |
| Transfers (out) | - | (100,000) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(100,000)</u> | <u>100,000</u> |
| NET CHANGE IN FUND BALANCES | 40,278 | 33,104 | (271,176) |
| FUND BALANCES, MAY 1 | <u>563,119</u> | <u>1,358,479</u> | <u>627,518</u> |
| FUND BALANCES, APRIL 30 | <u><u>\$ 603,397</u></u> | <u><u>\$ 1,391,583</u></u> | <u><u>\$ 356,342</u></u> |

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

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

For the Year Ended April 30, 2019

| | |
|---|--------------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ (241,698) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities | 473,920 |
| Depreciation on capital assets is reported as an expense in the statement of activities | (265,444) |
| The loss on disposal of capital assets is reported as an expense in the statement of activities | (85,943) |
| The change in certain liabilities are reported as expenses on the statement of activities | |
| Compensated absences | (2,222) |
| Accrued interest | 3,448 |
| The change in the Illinois Municipal Retirement Fund net pension liability, deferred inflows and deferred outflows are not a source or use of a financial resource | (31,363) |
| The change in total OPEB liability, deferred inflows and deferred outflows are not a source or use of a financial resource | (4,238) |
| The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities | <u>305,000</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 151,460</u></u> |

See accompanying notes to financial statements.

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Hickory Hills Park District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Financial Reporting Entity

The District is duly organized and existing under the provisions of the laws of the State of Illinois and is operating under the provisions of the Park District Code of the State of Illinois. The District operates under the commissioner-director form of government (an elected Board of five District Commissioners) and provides a variety of recreational facilities, programs and services. The District (primary government) includes all funds of its governmental operations and its component units based on financial accountability. Financial accountability includes appointment of the entity's governing body, imposition of will and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no other organizations for which it has financial accountability.

Based on the criteria of GASB Statement No 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the District does not have any component units.

b. Fund Accounting

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

The District's funds are classified into the following categories: governmental.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for all of the District's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of long-term debt (debt service funds). The General (Corporate) Fund is used to account for all activities of the District not accounted for in some other fund.

c. 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 activities of the District. The effect of material interfund activity other than interfund sales and services has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. The District does not have any business-type activities.

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

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

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The District reports the following major governmental funds:

The General Fund accounts for the resources traditionally associated with general government, except those accounted for in another fund.

The Recreation Fund accounts for the operations of the District's recreational programs and park maintenance. Financing is provided from an annual restricted property tax levy and fees charged for programs and activities.

The Debt Service Fund accounts for the accumulation of funds that are restricted, committed or assigned for repayment of various general obligations bond issues where repayment is financed by an annual property tax levy.

The Capital Projects Fund accounts for financial resources restricted, committed or assigned for the acquisition or construction of major capital expenditures not being financed by the proprietary fund.

d. 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. Revenues are recorded when earned and expenses 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 and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 (60 days). The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related liability is incurred. Principal and interest on general long-term debt are recorded as expenditures become due.

Those revenues susceptible to accrual are property taxes, replacement taxes and interest on investments.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District reports unearned/deferred revenue on its financial statements. Unearned/deferred revenues arise when potential revenue does not meet the measurable and available or period intended to finance criteria for recognition in the current period for governmental funds or earned or period intended to finance at the government-wide level. Unearned/deferred revenues also arise when resources are received by the District before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the District has a legal claim to the resources by meeting all eligibility requirements, the liability or deferred inflow of resources for unearned/deferred revenue is removed from the financial statements and revenue is recognized.

e. Deposits and Investments

For purposes of reporting cash flows, the District considers all cash on hand, demand deposits and highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Property Taxes

The District's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective shares of the collections. Taxes levied in one calendar year become due and payable in two installments on March 1 and August 1 during the following calendar year. The first installment is an estimated bill and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are expensed when consumed.

h. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., bike trails, paths, roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

| Assets | Years |
|---------------------------|-------|
| Buildings | 50 |
| Land improvements | 20 |
| Playgrounds and equipment | 5-20 |
| Vehicles | 8 |

i. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences

Accumulated vacation leave expected to be liquidated with expendable available financial resources are recognized as an expenditure and as a liability of the governmental fund from which they are expected to be paid. Employees earn vacation and are required to use vacation days within six months of the end of the anniversary year in which it is earned. Any unused vacation days after this period is lost. Eligible employees receive two personal days that they may take any time during the calendar year. Unused personal days will be added to employee's accumulative sick days each year. These expenditures are expected to be paid from the corporate and recreation funds as in previous years. Accumulated vacation leave is recognized when earned in the government-wide financial statements. Sick days are not payable upon termination and are not accrued in the financial statements.

k. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Park Commissioners, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Park Commissioners. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's Executive Director, as specified in the fund balance policy. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned. It is the policy of the District to maintain minimum unassigned fund balance in the General Fund to fund operations for a period of at least four months.

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

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

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balances/Net Position (Continued)

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the District.

l. Interfund Transactions

Interfund service transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund service transactions and reimbursements, are reported as transfers.

m. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

n. 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, deferred outflows of resources, represents a consumption of net assets 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, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Use of Estimates

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

2. CASH AND INVESTMENTS

The District maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments."

a. Permitted Deposits and Investments

The District's investment policy permits the District to invest in: bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, bonds, notes debentures or similar obligations of the agencies of the United States of America; interest-bearing savings accounts, certificates of deposit, time deposits or other investment constituting direct obligations of a bank as defined by the Illinois Banking Act; short-term obligations (maturing within 180 days of dates of purchase) of corporations with assets exceeding \$500 million (such obligations must be rated at the time of purchase as AAA by at least two standard rating services); money market mutual funds registered under the Investment Company Act of 1940 which invest only in bonds, notes, certificates of indebtedness, treasury bills and other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest and agrees to repurchase such obligations; state and local government obligations; Illinois Park District Liquid Asset Fund or a fund managed, operated and administered by a bank and other securities as allowed by the Illinois Public Funds Investment Act. Investments in Illinois Park District Liquid Asset Fund (the Funds) are valued at the Funds share price, the price for which the investment could be sold.

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

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

b. Deposits with Financial Institutions

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

c. Investments

| | Investment Maturities (in Years) | | | | |
|--------------------------|----------------------------------|---------------------|---------------------|------------------|--------------|
| | Fair Value | Less than 1 | 1-5 | 6-10 | More than 10 |
| U.S. Treasury securities | \$ 2,867,279 | \$ 1,292,251 | \$ 1,475,399 | \$ 99,629 | \$ - |
| TOTAL | \$ 2,867,279 | \$ 1,292,251 | \$ 1,475,399 | \$ 99,629 | \$ - |

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of April 30, 2019: U.S. Treasury securities are valued using quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for operations.

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

Concentration of credit risk is the risk that the District has a high percentage of their investments invested in one type of investment. Currently the all of the District's investments are in U.S. Treasury securities exposing the District to a high concentration of credit risk. The District's investment policy does not address concentration of credit risk.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

c. Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. The District's investment policy does not address custodial credit risk.

3. CAPITAL ASSETS

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

| | Beginning Balances | Increases | Decreases | Reclassification | Ending Balances |
|---|-----------------------|-------------------|------------------|------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 841,290 | \$ 25,051 | \$ 2,944 | \$ - | \$ 863,397 |
| Construction in progress | - | 58,795 | - | - | 58,795 |
| Total capital assets not being depreciated | 841,290 | 83,846 | 2,944 | - | 922,192 |
| Capital assets being depreciated | | | | | |
| Buildings | 6,394,418 | 114,990 | - | (1,048,616) | 5,460,792 |
| Land improvements | 1,639,462 | 9,307 | 287,425 | 1,396,941 | 2,758,285 |
| Playground and equipment | 1,235,811 | 265,777 | 46,934 | (348,325) | 1,106,329 |
| Vehicles | 203,893 | - | - | - | 203,893 |
| Total capital assets being depreciated | 9,473,584 | 390,074 | 334,359 | - | 9,529,299 |
| Less accumulated depreciation for | | | | | |
| Buildings | 1,729,433 | 114,211 | - | (72,292) | 1,771,352 |
| Land improvements | 1,385,112 | 89,700 | 216,836 | 368,985 | 1,626,961 |
| Playground and equipment | 926,170 | 53,351 | 34,524 | (296,693) | 648,304 |
| Vehicles | 157,257 | 8,182 | - | - | 165,439 |
| Total accumulated depreciation | 4,197,972 | 265,444 | 251,360 | - | 4,212,056 |
| Total capital assets being depreciated, net | 5,275,612 | 124,630 | 82,999 | - | 5,317,243 |
| GOVERNMENTAL ACTIVITIES | | | | | |
| CAPITAL ASSETS, NET | \$ 6,116,902 | \$ 208,476 | \$ 85,943 | \$ - | \$ 6,239,435 |

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

| | |
|---|-------------------|
| GOVERNMENTAL ACTIVITIES | |
| General government | \$ 212,093 |
| Recreation | 53,351 |
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES | \$ 265,444 |

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT

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

| | Beginning Balances | Additions | Reductions | Ending Balances | Current Portion | Long-Term Portion |
|--------------------------------------|-----------------------|-------------------|-------------------|---------------------|--------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | |
| General obligation bonds | \$ 1,465,000 | \$ - | \$ 305,000 | \$ 1,160,000 | \$ 320,000 | \$ 840,000 |
| Compensated absences | 20,780 | 2,222 | - | 23,002 | - | 23,002 |
| Net pension liability | 271,394 | 464,447 | - | 735,841 | - | 735,841 |
| Total OPEB liability | 66,941 | 2,181 | - | 69,122 | 6,912 | 62,210 |
| TOTAL GOVERNMENTAL ACTIVITIES | | | | | | |
| | <u>\$ 1,824,115</u> | <u>\$ 468,850</u> | <u>\$ 305,000</u> | <u>\$ 1,987,965</u> | <u>\$ 326,912</u> | <u>\$ 1,661,053</u> |

a. General Obligation Bonds Payable

The outstanding general obligations bonds debt as of April 30, 2019 consists of the following individual amounts:

| | Fund Retired by | Balance April 30, | Current Portion |
|--|--------------------|----------------------|--------------------|
| General Obligation Limited Tax Park Bond Series 2010; principal payable annually on December 15, 2011 through 2026; Interest paid semi-annually on January 1 and July 1 at rates ranging from 1.75% to 5.70%. | Debt Service | \$ 965,000 | \$ 125,000 |
| General Obligation Limited Tax Park Bond Series 2016; Original issue of \$2,025,000; Principal payable annually on December 1, 2017 through 2019; Interest paid semi-annually on June 1 and December 1 at rates ranging from 2.00% to 2.20%. | Debt Service | 195,000 | 195,000 |
| TOTAL GENERAL OBLIGATION BONDS PAYABLE | | <u>\$ 1,160,000</u> | <u>\$ 320,000</u> |

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity

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

| Fiscal Year Ending April 30, | Governmental Activities | | |
|------------------------------------|-------------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2020 | \$ 320,000 | \$ 58,338 | \$ 378,338 |
| 2021 | 125,000 | 46,970 | 171,970 |
| 2022 | 135,000 | 40,283 | 175,283 |
| 2023 | 140,000 | 33,060 | 173,060 |
| 2024 | 145,000 | 25,080 | 170,080 |
| 2025 | 145,000 | 16,815 | 161,815 |
| 2026 | 150,000 | 8,550 | 158,550 |
| TOTAL | \$ 1,160,000 | \$ 229,096 | \$ 1,389,096 |

5. INDIVIDUAL FUND DISCLOSURES

Transfers

The composition of interfund transfers during the year is as follows:

| Fund | Transfers In | Transfers Out |
|-----------------------|-------------------|-------------------|
| General Fund | \$ - | \$ 100,000 |
| Capital Projects Fund | 100,000 | - |
| TOTAL | \$ 100,000 | \$ 100,000 |

The General Fund transferred \$100,000 to the Capital Projects Fund for capital purposes. This transfer will not be repaid.

6. RISK MANAGEMENT

Park District Risk Management Agency

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health; injuries to employees; and net income losses. Employee health is covered by third party indemnity contracts. The District is a member of the Park District Risk Management Agency (PDRMA), a risk management pool of park and forest preserve districts and special recreation associations through which

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

property, general liability, automobile liability, crime, boiler and machinery, public officials' and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. Settled claims have not exceeded coverage in the current or prior two fiscal years.

In the event losses exceeded the per occurrence self-insured and reinsurance limit, the District would be liable for the excess amount. PDRMA's Board of Directors evaluates the aggregate self-insured limit annually.

As a member of PDRMA, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body.

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, to cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement and to follow risk management procedures as outlined by PDRMA.

Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

Since 96% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually as more recent loss information becomes available.

Complete financial statements for PDRMA can be obtained from PDRMA's administration offices at 2033 Burlington Avenue, Hickory Hills, Illinois 60532.

The District is a member of the PDRMA Health Program, a health insurance pool of park districts, special recreation associations and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001, the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

Members can choose to provide any combination of coverages available to their employees, and pay premiums accordingly.

As a member of the PDRMA Health Program, the District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and the PDRMA Health Program is governed by a contract and by-laws that have been adopted by resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

7. EMPLOYEE RETIREMENT SYSTEMS

Illinois Municipal Retirement Fund (IMRF)

The District's defined benefit pension plan (the Plan), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the Plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the Plan as a whole but not by individual employer. That report may be obtained at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

Plan Membership

At December 31, 2018, IMRF membership consisted of:

| | |
|---|----------------------|
| Inactive employees or their beneficiaries | |
| currently receiving benefits | 8 |
| Inactive employees entitled to but not yet receiving benefits | 5 |
| Active employees | <u>12</u> |
| TOTAL | <u><u>25</u></u> |

Benefits

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

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

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. During the year ended April 30, 2019, the District's contribution rate was 13.60% of covered payroll.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

| | |
|--------------------------|-------------------|
| Actuarial valuation date | December 31, 2018 |
| Actuarial cost method | Entry-age normal |
| Inflation | 2.50% |
| Salary increases | 3.39% to 14.25% |
| Interest rate | 7.25% |
| Asset valuation method | Market value |

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

Discount Rate

The discount rate used to measure the total pension liability at April 30, 2019 was 7.25% (7.50% at April 30, 2018). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

Changes in the Net Pension Liability (Asset)

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability (Asset) |
|--|--------------------------------------|--|--|
| BALANCES AT JANUARY 1, 2018 | \$ 3,525,996 | \$ 3,254,602 | \$ 271,394 |
| Changes for the period | | | |
| Service cost | 50,282 | - | 50,282 |
| Interest | 260,868 | - | 260,868 |
| Difference between expected and actual experience | (27,947) | - | (27,947) |
| Changes in assumptions | 110,956 | - | 110,956 |
| Employer contributions | - | 75,987 | (75,987) |
| Employee contributions | - | 24,240 | (24,240) |
| Net investment income | - | (160,414) | 160,414 |
| Benefit payments and refunds | (145,806) | (145,806) | - |
| Other (net transfer) | - | (10,101) | 10,101 |
| Net changes | 248,353 | (216,094) | 464,447 |
| BALANCES AT December 31, 2018 | \$ 3,774,349 | \$ 3,038,508 | \$ 735,841 |

There was a change in assumptions related to the investment rate of return since the last valuation.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

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

For the year ended April 30, 2019, the District recognized pension expense of \$104,233.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 30,578 | \$ 34,745 |
| Changes in assumption | 93,152 | 77,351 |
| Employer contributions after the measurement date | 22,971 | - |
| Net difference between projected and actual earnings on pension plan investments | 194,986 | - |
| TOTAL | \$ 341,687 | \$ 112,096 |

\$22,971 reported as deferred outflows of resources resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2020.

The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

| <u>Year Ending April 30,</u> | |
|----------------------------------|-------------------|
| 2020 | \$ 62,751 |
| 2021 | 27,597 |
| 2022 | 26,042 |
| 2023 | 90,230 |
| TOTAL | \$ 206,620 |

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

Discount Rate Sensitivity

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability | \$ 1,238,987 | \$ 735,841 | \$ 321,049 |

8. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the District provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the District's governmental activities.

b. Benefits Provided

The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the District's retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the District's insurance provider. Retirees contribute 100% of the insurance premium.

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At September 30, 2018, membership consisted of:

| | |
|---|--------------|
| Inactive fund members or beneficiaries currently receiving benefits payments | - |
| Inactive fund members entitled to but not yet receiving benefit payments | - |
| Active fund members | <u>9</u> |
| TOTAL | <u>9</u> |

d. Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation performed as of September 30, 2018 using the following actuarial methods and assumptions.

| | |
|-----------------------------|--|
| Actuarial valuation date | September 30, 2018 |
| Measurement date | September 30, 2018 |
| Actuarial cost method | Entry-age normal |
| Inflation | 2.50% |
| Discount rate | 4.18% |
| Healthcare cost trend rates | 7.00% to 9.00% in Fiscal 2018 based on type of plan, to an ultimate trend rate of 4.50% |
| Asset valuation method | Not applicable |
| Mortality rates | RP - 2014 rates adjusted to 2006 rates and improved generationally with MP-2017 improvement rates |

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Discount Rate

The discount rate was based on the S&P Municipal Bond 20-year high-grade rate index rate for tax-exempt general obligation municipal bonds rated AA or better at September 30, 2018.

f. Changes in the Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|-----------------------------------|---------------------------------|
| BALANCES AT OCTOBER 1, 2017 | <u>\$ 66,941</u> |
| Changes for the period | |
| Service cost | 2,337 |
| Interest | 2,515 |
| Changes in assumptions | (2,280) |
| Implicit benefit payments | <u>(391)</u> |
| Net changes | <u>2,181</u> |
| BALANCES AT SEPTEMBER 30, 2018 | <u><u>\$ 69,122</u></u> |

There was a change in assumptions related to the discount rate since the last valuation date.

g. Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 4.18% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.18%) or 1 percentage point higher (5.18%) than the current rate:

| | 1% Decrease (3.18%) | Current Discount Rate (4.18%) | 1% Increase (5.18%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 73,350 | \$ 69,122 | \$ 64,953 |

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 7% to 9% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (5.90% to 6.80%) or 1 percentage point higher (6% to 8%) than the current rate:

| | 1% Decrease (6% to 8%) | Current Healthcare Rate (7% to 9%) | 1% Increase (8% to 10%) |
|----------------------|---------------------------|--|----------------------------|
| Total OPEB liability | \$ 63,379 | \$ 69,122 | \$ 75,489 |

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2019, the District recognized OPEB expense of \$4,629. At April 30, 2019, the District reported deferred inflows of resources related to OPEB from the following sources:

| | |
|-----------------------|--------------------------|
| Changes in assumption | <u>\$ (2,057)</u> |
| TOTAL | <u>\$ (2,057)</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year Ending April 30, | |
|------------------------------------|--------------------------|
| 2020 | \$ (223) |
| 2021 | (223) |
| 2022 | (223) |
| 2023 | (223) |
| 2024 | (223) |
| Thereafter | <u>(942)</u> |
| TOTAL | <u>\$ (2,057)</u> |

HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. CONTINGENCIES

Litigation

The District is involved in lawsuits arising out of the normal course of business. It is rigorously defending these suits, as it believes it has a meritorious defense against the claims. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District’s attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the District.

10. JOINTLY GOVERNED ORGANIZATION

The District, five other contiguous park districts and two municipalities have entered into a joint agreement to provide cooperative recreational programs and other activities for handicapped and impaired individuals. Each agency shares equally in the South West Special Recreation Association (SWSRA) and generally provides funding. Each member agency participating in SWSRA selects one individual, usually from its own Board or professional staff, to sit on the Board of Directors of SWSRA. The Board of Directors adopts its own budget based on funds being contributed by its members and programs to be conducted and generally adopts the operating policies, invests funds and otherwise directs the operations of SWSRA independent of its member agencies. The District contributed \$67,233 to SWSRA during the current fiscal year. Separate financial statements for SWSRA are available from SWSRA’s management.

11. CHANGE IN ACCOUNTING PRINCIPLE

In 2019, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. With the implementation, the District is required to retroactively record the total other postemployment benefit liability.

| | <u>Increase (Decrease)</u> |
|---|--------------------------------|
| Change in accounting principle | |
| To record the total OPEB liability | \$ (66,941) |
| TOTAL CHANGE IN ACCOUNTING PRINCIPLE | \$ (66,941) |

REQUIRED SUPPLEMENTARY INFORMATION

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2019

| | Final Appropriation | Final Budget | Actual | Variance Over (Under) |
|---|--------------------------------|-------------------------|-------------------|----------------------------------|
| REVENUES | | | | |
| Property taxes | | \$ 485,000 | \$ 448,584 | \$ (36,416) |
| Replacement taxes | | 18,500 | 16,521 | (1,979) |
| Interest income | | 5,600 | 14,026 | 8,426 |
| Net increase (decrease) in the fair value of investments | | - | 21,803 | 21,803 |
| Other | | 1,000 | 5,190 | 4,190 |
| | | <u>510,100</u> | <u>506,124</u> | <u>(3,976)</u> |
| Total revenues | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | | | | |
| Admin/clerical salaries | \$ 187,200 | 154,400 | 148,891 | (5,509) |
| Maintenance salaries | 128,400 | 94,000 | 79,223 | (14,777) |
| Health insurance (employees) | 61,000 | 34,500 | 18,732 | (15,768) |
| Contractual service | 159,400 | 97,300 | 97,573 | 273 |
| General supplies | 25,000 | 23,000 | 17,352 | (5,648) |
| Maintenance | 51,700 | 35,700 | 26,088 | (9,612) |
| Building supplies | 19,700 | 14,100 | 11,401 | (2,699) |
| Equipment/improvements | 38,100 | 21,000 | 11,077 | (9,923) |
| Social Security (FICA) | 83,000 | 52,000 | 55,509 | 3,509 |
| | | <u>753,500</u> | <u>526,000</u> | <u>(60,154)</u> |
| Total expenditures | | | | |
| NET CHANGE IN FUND BALANCE | | <u>\$ (15,900)</u> | 40,278 | <u>\$ (56,178)</u> |
| FUND BALANCE, MAY 1 | | | <u>563,119</u> | |
| FUND BALANCE, APRIL 30 | | | <u>\$ 603,397</u> | |

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION FUND

For the Year Ended April 30, 2019

| | Final Appropriation | Final Budget | Actual | Variance Over (Under) |
|--|--------------------------------|-------------------------|---------------|----------------------------------|
| REVENUES | | | | |
| Property taxes | | \$ 452,884 | \$ 418,872 | \$ (34,012) |
| Recreation revenue | | 758,900 | 801,157 | 42,257 |
| Donations | | 7,000 | 8,325 | 1,325 |
| | | <hr/> | <hr/> | <hr/> |
| Total revenues | | 1,218,784 | 1,228,354 | 9,570 |
| EXPENDITURES | | | | |
| Recreation | | | | |
| Admin/clerical | \$ 229,700 | 208,700 | 206,434 | (2,266) |
| Program instructors | 231,500 | 198,300 | 168,991 | (29,309) |
| Maintenance | 102,300 | 92,000 | 78,933 | (13,067) |
| Facility supervisors | 66,000 | 46,500 | 43,517 | (2,983) |
| Contracted programs | 233,000 | 189,500 | 154,151 | (35,349) |
| Health insurance (employees) | 101,000 | 81,000 | 89,216 | 8,216 |
| Refunds | 18,500 | 12,500 | 9,408 | (3,092) |
| Great America tickets | 20,000 | 14,000 | 9,928 | (4,072) |
| Program equipment/supplies | 266,500 | 226,800 | 197,824 | (28,976) |
| Seminars/training | 14,000 | 11,000 | 6,252 | (4,748) |
| Association membership | 9,000 | 7,000 | 6,041 | (959) |
| Fitness center/Splash Pad | 45,000 | 23,000 | 15,326 | (7,674) |
| Capital equipment/projects | 12,000 | 9,500 | 5,396 | (4,104) |
| IMRF | 189,000 | 82,000 | 72,870 | (9,130) |
| Liability insurance | - | 21,000 | 19,659 | (1,341) |
| Workers compensation insurance | - | 12,000 | 11,304 | (696) |
| | | <hr/> | <hr/> | <hr/> |
| Total expenditures | \$ 1,537,500 | 1,234,800 | 1,095,250 | (139,550) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | |
| | | <hr/> | <hr/> | <hr/> |
| | | (16,016) | 133,104 | 149,120 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (out) | | <hr/> | <hr/> | <hr/> |
| | | - | (100,000) | (100,000) |
| Total other financing sources (uses) | | <hr/> | <hr/> | <hr/> |
| | | - | (100,000) | (100,000) |
| NET CHANGE IN FUND BALANCE | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$ (16,016) | 33,104 | \$ 49,120 | |
| FUND BALANCE, MAY 1 | | | | |
| | | <hr/> | <hr/> | |
| | | | 1,358,479 | |
| FUND BALANCE, APRIL 30 | | | | |
| | | <hr/> | <hr/> | |
| | | \$ | 1,391,583 | |

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

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

Last Five Fiscal Years

| FISCAL YEAR ENDING APRIL 30, | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|--------------|--------------|-------------|-------------|
| Actuarially determined contribution | \$ 72,880 | \$ 71,161 | \$ 73,871 | \$ 69,294 | \$ 72,870 |
| Contributions in relation to the actuarially determined contribution | 72,880 | 71,160 | 73,871 | 69,294 | 72,870 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ - | \$ 1 | \$ - | \$ - | \$ - |
| Covered payroll | \$ 488,473 | \$ 3,385,213 | \$ 3,548,420 | \$ 638,066 | \$ 535,880 |
| Contributions as a percentage of covered payroll | 14.92% | 2.10% | 2.08% | 10.86% | 13.60% |

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3% compounded annually.

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

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Years

| MEASUREMENT DATE DECEMBER 31, | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| TOTAL PENSION LIABILITY | | | | | |
| Service cost | \$ 53,726 | \$ 52,166 | \$ 51,162 | \$ 50,867 | \$ 50,282 |
| Interest | 215,528 | 234,257 | 241,875 | 257,036 | 260,868 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (1,874) | (55,123) | 53,807 | 14,541 | (27,947) |
| Changes of assumptions | 109,104 | (4,314) | (13,449) | (122,784) | 110,956 |
| Benefit payments, including refunds of member contributions | (106,032) | (120,090) | (137,342) | (150,755) | (145,806) |
| Net change in total pension liability | 270,452 | 106,896 | 196,053 | 48,905 | 248,353 |
| Total pension liability - beginning | 2,903,690 | 3,174,142 | 3,281,038 | 3,477,091 | 3,525,996 |
| TOTAL PENSION LIABILITY - ENDING | \$ 3,174,142 | \$ 3,281,038 | \$ 3,477,091 | \$ 3,525,996 | \$ 3,774,349 |
| PLAN FIDUCIARY NET POSITION | | | | | |
| Contributions - employer | \$ 72,880 | \$ 71,160 | \$ 73,871 | \$ 69,294 | \$ 75,987 |
| Contributions - member | 21,981 | 22,266 | 22,250 | 23,253 | 24,240 |
| Net investment income | 153,449 | 13,335 | 185,127 | 496,076 | (160,414) |
| Benefit payments, including refunds of member contributions | (106,032) | (120,090) | (137,342) | (150,755) | (145,806) |
| Other | 16,993 | 24,287 | 33,137 | (51,689) | (10,101) |
| Net change in plan fiduciary net position | 159,271 | 10,958 | 177,043 | 386,179 | (216,094) |
| Plan net position - beginning | 2,521,151 | 2,680,422 | 2,691,380 | 2,868,423 | 3,254,602 |
| PLAN NET POSITION - ENDING | \$ 2,680,422 | \$ 2,691,380 | \$ 2,868,423 | \$ 3,254,602 | \$ 3,038,508 |
| EMPLOYER'S NET PENSION LIABILITY | \$ 493,720 | \$ 589,658 | \$ 608,668 | \$ 271,394 | \$ 735,841 |
| Plan fiduciary net position as a percentage of the total pension liability | 84.45% | 82.03% | 82.49% | 92.30% | 80.50% |
| Covered payroll | \$ 488,473 | \$ 489,079 | \$ 494,448 | \$ 516,736 | \$ 535,880 |
| Employer's net pension liability as a percentage of covered payroll | 101.07% | 120.56% | 123.10% | 52.52% | 137.31% |

Assumption Changes

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

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

2017 - Changes in assumptions related to inflation rates, alary rates and mortality rates.

2018 - Changes in assumptions related to the investment rate of return.

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

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTRETIREMENT BENEFIT PLAN**

Last Fiscal Year

| MEASUREMENT DATE SEPTEMBER 30, | 2018 |
|---|-------------------------|
| TOTAL OPEB LIABILITY | |
| Service cost | \$ 2,337 |
| Interest | 2,515 |
| Changes in assumptions | (2,280) |
| Implicit benefit payments | <u>(391)</u> |
| Net change in total OPEB liability | 2,181 |
| Total OPEB liability - beginning | <u>66,941</u> |
| TOTAL OPEB LIABILITY - ENDING | <u><u>\$ 69,122</u></u> |
| Covered payroll | \$ 489,335 |
| Employer's total OPEB liability as a percentage of covered payroll | 14.13% |

There was a change in assumptions related to the discount rate in 2018.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

NOTES TO SUPPLEMENTARY INFORMATION

April 30, 2019

BUDGETS

Budgetary Data

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

All departments of the District submit requests for appropriation to the District's administrator so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriation for the next year. The proposed budget is presented to the governing body for review.

The governing body holds public hearings and may add to, subtract from, or change appropriation, but may not change the form of the budget. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no supplementary appropriations were made.

Budgetary information for individual funds is prepared on the same basis as the basic financial statements. The budget is prepared in accordance with the Illinois Park District Code and is derived from the combined annual budget and appropriation ordinance of the District. Working budgets are prepared for all governmental funds, except for the Liability Insurance and Workers' Compensation Funds. All budgets are prepared based on the annual fiscal year of the District. Budgetary funds are controlled by an integrated budgetary accounting system in accordance, where applicable, with various legal requirements which govern the District.

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

| Fund | Actual Expenditures | Appropriation |
|--------------------------------|------------------------|---------------|
| Special Recreation Association | \$ 204,243 | \$ 136,278 |

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

MAJOR GOVERNMENTAL FUNDS

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended April 30, 2019

| | Final Appropriation | Final Budget | Actual | Variance Over (Under) |
|-----------------------------------|--------------------------------|-------------------------|-------------------|----------------------------------|
| REVENUES | | | | |
| Property taxes | | \$ 379,105 | \$ 376,791 | \$ (2,314) |
| Intergovernmental | | 19,400 | 19,503 | 103 |
| | | 398,505 | 396,294 | (2,211) |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | \$ 412,000 | 373,173 | 305,000 | (68,173) |
| Interest and fiscal charges | 3,300 | 900 | 68,975 | 68,075 |
| | \$ 415,300 | 374,073 | 373,975 | (98) |
| NET CHANGE IN FUND BALANCE | | \$ 24,432 | 22,319 | \$ (2,113) |
| FUND BALANCE, MAY 1 | | | 286,331 | |
| FUND BALANCE, APRIL 30 | | | \$ 308,650 | |

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2019

| | Final Appropriation | Final Budget | Actual | Variance Over (Under) |
|--|--------------------------------|-------------------------|-------------------|----------------------------------|
| REVENUES | | | | |
| None | | \$ - | \$ - | \$ - |
| Total revenues | | - | - | - |
| EXPENDITURES | | | | |
| Capital outlay | | | | |
| Capital improvements | \$ 863,000 | 510,300 | 371,176 | (139,124) |
| Total expenditures | 863,000 | 510,300 | 371,176 | (139,124) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (863,000) | (510,300) | (371,176) | 139,124 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | - | 100,000 | 100,000 |
| Total other financing sources (uses) | | - | 100,000 | 100,000 |
| NET CHANGE IN FUND BALANCE | \$ (510,300) | | (271,176) | \$ 239,124 |
| FUND BALANCE, MAY 1 | | | 627,518 | |
| FUND BALANCE, APRIL 30 | | | \$ 356,342 | |

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - are established to account for proceeds from specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes.

Police Program Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for paying for the District's police expenditures.

Liability Insurance Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the District's liability insurance expenditures.

Workers' Compensation Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the District's workers' compensation expenditures.

Unemployment Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the District's unemployment expenditures.

Special Recreation - The South West Special Recreation Association (SWSRA) provides recreational facilities and programs for the handicapped. The District, funded by special levy, contributes annually for membership in SWSRA.

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2019

| | Special Revenue | | |
|--|---------------------------|--------------------------------|----------------------------------|
| | Police Program | Liability Insurance | Workers' Compensation |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| ASSETS | | | |
| Cash | \$ 2,652 | \$ 1,619 | \$ 914 |
| Property taxes receivable (net, where applicable, of allowances for uncollectibles) | 2,528 | - | - |
| Total assets | 5,180 | 1,619 | 914 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| None | - | - | - |
| Total deferred outflows of resources | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | |
| | \$ 5,180 | \$ 1,619 | \$ 914 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| None | \$ - | \$ - | \$ - |
| Total liabilities | - | - | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable property tax revenue | 4,639 | - | - |
| Total deferred inflows of resources | 4,639 | - | - |
| Total liabilities and deferred inflows of resources | 4,639 | - | - |
| FUND BALANCES | | | |
| Restricted | | | |
| Police program | 541 | - | - |
| Special recreation | - | - | - |
| Insurance | - | 1,619 | 914 |
| Total fund balances | 541 | 1,619 | 914 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| | \$ 5,180 | \$ 1,619 | \$ 914 |

| Special Revenue | | |
|------------------------|---------------------------|--------------|
| Unemployment | Special Recreation | Total |
| \$ 28,462 | \$ 100,722 | \$ 134,369 |
| 506 | 81,036 | 84,070 |
| 28,968 | 181,758 | 218,439 |
| - | - | - |
| - | - | - |
| \$ 28,968 | \$ 181,758 | \$ 218,439 |
| \$ - | \$ - | \$ - |
| - | - | - |
| 1,093 | 153,138 | 158,870 |
| 1,093 | 153,138 | 158,870 |
| 1,093 | 153,138 | 158,870 |
| - | - | 541 |
| - | 28,620 | 28,620 |
| 27,875 | - | 30,408 |
| 27,875 | 28,620 | 59,569 |
| \$ 28,968 | \$ 181,758 | \$ 218,439 |

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2019

| | Special Revenue | | |
|--------------------------------|---------------------------|--------------------------------|----------------------------------|
| | Police Program | Liability Insurance | Workers' Compensation |
| REVENUES | | | |
| Property taxes | \$ 4,083 | \$ - | \$ - |
| Total revenues | 4,083 | - | - |
| EXPENDITURES | | | |
| Current | | | |
| General government | 4,311 | - | - |
| Recreation | - | - | - |
| Total expenditures | 4,311 | - | - |
| NET CHANGE IN FUND BALANCES | (228) | - | - |
| FUND BALANCES, MAY 1 | 769 | 1,619 | 914 |
| FUND BALANCES, APRIL 30 | \$ 541 | \$ 1,619 | \$ 914 |

| Special Revenue | | |
|------------------------|---------------------------|--------------|
| Unemployment | Special Recreation | Total |
| \$ 1,115 | \$ 137,133 | \$ 142,331 |
| 1,115 | 137,133 | 142,331 |
| - | - | 4,311 |
| - | 204,243 | 204,243 |
| - | 204,243 | 208,554 |
| 1,115 | (67,110) | (66,223) |
| 26,760 | 95,730 | 125,792 |
| \$ 27,875 | \$ 28,620 | \$ 59,569 |

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE PROGRAM FUND

For the Year Ended April 30, 2019

| | Original and Final Appropriation | Original and Final Appropriation | Actual | Variance Over (Under) Budget |
|-------------------------------|---|---|---------------|---|
| REVENUES | | | | |
| Property taxes | | \$ 4,500 | \$ 4,083 | \$ (417) |
| Total revenues | | 4,500 | 4,083 | (417) |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | | | | |
| Police | \$ 7,200 | 5,000 | 4,311 | (689) |
| Total expenditures | \$ 7,200 | 5,000 | 4,311 | (689) |
| NET CHANGE IN FUND BALANCE | | \$ (500) | (228) | \$ 272 |
| FUND BALANCE, MAY 1 | | | 769 | |
| FUND BALANCE, APRIL 30 | | | \$ 541 | |

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
UNEMPLOYMENT FUND

For the Year Ended April 30, 2019

| | Final Appropriation | Final Budget | Actual | Variance Over (Under) Budget |
|-----------------------------------|--------------------------------|-------------------------|------------------|---|
| REVENUES | | | | |
| Property taxes | | \$ 1,000 | \$ 1,115 | \$ 115 |
| Total revenues | | 1,000 | 1,115 | 115 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | | | | |
| Unemployment compensation | \$ 17,500 | 7,000 | - | (7,000) |
| Total expenditures | \$ 17,500 | 7,000 | - | (7,000) |
| NET CHANGE IN FUND BALANCE | | \$ (6,000) | 1,115 | \$ 7,115 |
| FUND BALANCE, MAY 1 | | | 26,760 | |
| FUND BALANCE, APRIL 30 | | | \$ 27,875 | |

(See independent auditor's report.)

**HICKORY HILLS PARK DISTRICT
HICKORY HILLS, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL RECREATION**

For the Year Ended April 30, 2019

| | Final Appropriation | Final Budget | Actual | Variance Over (Under) Budget |
|-----------------------------------|--------------------------------|-------------------------|---------------|---|
| REVENUES | | | | |
| Property taxes | \$ | 138,278 | \$ | 137,133 |
| | | | \$ | (1,145) |
| Total revenues | | 138,278 | 137,133 | (1,145) |
| EXPENDITURES | | | | |
| Current | | | | |
| Recreation | | | | |
| Program expenditures | \$ | 68,139 | 68,139 | 67,233 |
| ADA capital outlay | | 68,139 | 68,139 | 137,010 |
| | | | | 68,871 |
| Total expenditures | \$ | 136,278 | 136,278 | 204,243 |
| | | | 67,965 | |
| NET CHANGE IN FUND BALANCE | | \$ | 2,000 | (67,110) |
| FUND BALANCE, MAY 1 | | | 95,730 | |
| FUND BALANCE, APRIL 30 | | | \$ | 28,620 |

(See independent auditor's report.)