



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

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ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2020



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, 2020, 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, 2020, 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.

## **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  
July 24, 2020

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# **HICKORY HILLS PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDING APRIL 30, 2020**

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, 2020. 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, 2020 was \$7,289,144. The term "net position" represents the difference between total assets and deferred outflows, and total liabilities and deferred inflows.
- Net position increased \$110,435 for the year ended April 30, 2020, improving the District's financial condition.
- The District issued \$550,000 of GO Limited Tax Park Bond in December 2016 and was retired on December 1, 2019. The District issued \$2,445,000 of GO Limited Tax Park Bond, Series 2010 in January 2010 and was retired on December 1, 2019. The District issued \$1,165,000 General Obligation Limited Park Bond, Series 2020A. The District used these funds to refund the Series 2010 Bond and also funds will be used for building, maintaining, improving and protecting of land and facilities. The District issued \$2,560,000 General Obligation Bond (Alternative Revenue Source) Series 2020B. The district will use these funds to renovate the Cynthia Neal Administration and Recreation Center.

## **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, 2019</u>	<u>April 30, 2020</u>
Current and Other Assets	\$4,337,097	\$7,517,004
Capital Assets	<u>6,239,435</u>	<u>6,017,854</u>
Total Assets	<u>\$10,576,532</u>	<u>\$13,534,858</u>
Deferred Outflows	<u>\$ 341,687</u>	<u>\$ 199,233</u>
Total Assets and Deferred Outflows	<u>\$ 10,918,219</u>	<u>\$ 13,734,091</u>
Liabilities	\$2,137,287	\$4,634,196
Deferred Inflows	<u>1,602,223</u>	<u>1,810,751</u>
Total Liabilities and Deferred Inflows	<u>\$3,739,510</u>	<u>\$6,444,947</u>
Invested in Capital Assets, Net of Related Debt	\$5,435,777	\$5,255,565
Restricted	363,899	434,905
Unrestricted	<u>1,379,033</u>	<u>1,598,674</u>
Total Net Position	<u>\$7,178,709</u>	<u>\$7,289,144</u>

As can be seen from the statement above, 56% of the District's assets were current at April 30, 2020 and consisted primarily of cash (\$6,661,525) and property tax receivable for the 2019 levy (\$818,138). Current and other assets increased from April 30, 2019 to April 30, 2020 because cash balances received from the 2020 bond have not yet been completely used for capital improvement projects. The remaining assets are capital assets, which decreased \$221,581 from April 30, 2019 to April 30, 2020 due primarily to depreciation expense (\$257,711) exceeding capital assets additions (\$39,256) in the year ended April 30, 2020. Current liabilities increased due to ongoing capital projects and refunds due to canceled programming. Long-term liabilities increased due to the issuance of bonds during the current fiscal year.

## Condensed Statement of Activities

<u>Revenues</u>	<u>2019</u>	<u>2020</u>
Program Revenues:		
Program Fees	\$ 801,157	\$ 669,455
Donations	8,325	8,540
Total Program Revenues	<u>809,482</u>	<u>677,995</u>
General Revenues:		
Property Taxes	1,403,099	1,467,709
Intergovernmental/ Bond Proceeds	19,503	17,644
Grants	-	34,854
Interest & Investment Income	35,829	140,834
Miscellaneous	5,190	214
Total General Revenues	<u>1,463,621</u>	<u>1,661,255</u>
	2,273,103	2,339,250
Total Revenues		
 <u>Expenses</u>		
Recreation Services	2,056,116	2,107,069
Interest on Long-Term Debt	65,527	121,746
	<u>2,121,643</u>	<u>2,228,815</u>
Total Expenses		
Change in Net Position	151,460	110,435
Net Position, Beginning of Year	7,094,190	7,178,709
Prior period adjustment	(66,941)	-
Net Position, Beginning of Year, Restated	<u>7,027,249</u>	<u>7,178,709</u>
Net Position, End of Year	<u>\$ 7,178,709</u>	<u>\$ 7,289,144</u>

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 17,025 in 18/19 to 12,993 in 19/20. Program revenues for the year ended April 30, 2020 decreased from the previous fiscal year from \$801,157 to \$669,455. The number of classes offered was 1,409 in 2019 and 1,132 in 2020. Other recreation services, such as Fitness Center and Splash Pad increased. The Fitness Center gross revenue was \$51,952 in 18/19 and \$55,471 in 19/20. The splash pad gross revenue was \$10,455 in 2018 season and \$10,685 in 2019 season and expenses were \$1,638 in 2018 season and 5,041 in 2019 season. The net for splash pad was -\$17,080 in 2018 season and -\$19,263 in 2019 season due to depreciation of assets and two motors that needed to be replaced and a third motor purchased as a spare. After School, Preschool, and Dance are tracked separately since they bring in large participant numbers. After School enrollees decreased from 8,296 in 18/19 to 6,091 in 19/20 based on registrations. After School decreased since it had to shut down in mid-March due to the Coronavirus so no daily, weekly or monthly registrations could be taken for morning school or after school. Preschool enrollees increased from 157 in 18/19 to 210 in 19/20. Net revenue for preschool was \$28,449 in 18/19 and \$24,497 in 19/20. The decrease was due to the Coronavirus since the second half of the year decreased by 50% and many refunds were given for two months of no school.

Net revenue for dance programs was \$72,580 in 18/19 and \$61,723 in 19/20. Revenue decreased because dance classes ended early on March 16 due to the Coronavirus. Also, there was no revenue from the dance recital since it was canceled due to the Coronavirus. The costume revenue was \$25,768 in 18/19 and \$23,531 in 19/20 and expenses were \$20,325 in 18/19 and \$16,007 in 19/20. Net profit from costumes will be used for equipment and supplies.

The summer, fall, winter and spring programs decreased. The summer programs had a 13% decrease. The largest decrease was from special events from the Street Fair. The Street Fair had a net of -\$1,689 in 2018 and -\$4,289 in 2019 because there was a big storm that shut down the event after approximately one hour after the rides began. Also, senior programs decreased by 26%, contractual by 11% and camps decreased by 8%. Winter programs decreased by 2%. Adult programs decreased by 59% mainly because there was a new instructor for exercise classes. Spring programs decreased by 91%. Most programs were canceled when the districts facilities closed on March 16 (CN Center) and March 17 (KP Center). The fall programs had a decrease of 29%. The largest decrease was from tot programs. The 62% decrease was from lower registration which went from 47 to 19 registered. Adult programs had a 52% decrease because the exercise instructor for Zumba quit.

The District accepted \$7,350 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.

The General Liability expense increased by 30% and the Premium Workman's Comp expense increased by 30% due to the April payment not split among several accounts. Also, the park district received \$3,262 from PDRMA for the Coronavirus to assist with paying for any personal protective equipment and expenses that could occur.

Corporate expenses decreased by 3% (\$14,753). Legal expenses increased by 117% due to two large construction projects and bids and contracts that had to be reviewed. Office equipment increased by 70% due to replacing two older computers. Contractual service decreased by 22% because the year prior there was a pipe break to the preschool room. Cleaning services decreased by 8% because both recreation centers were closed during the Coronavirus. Maintenance labor decreased because there was an open position in maintenance for four months due to the hiring freeze during the facility shut down. Employee health insurance decreased by 4% due to not hiring a full-time employees for 4 months. PPO increased 2.1% and HMO 2.5% from 2019 to 2020 with only two employees on HMO and seven employees on PPO.

Recreation expenses decreased by 13% (\$155,143) in the year ended April 30, 2020 compared to the prior fiscal year. Salaries decreased due facilities closing from the Coronavirus excluding full time employees that were employed the entire time. Some employees have received larger raises due to the minimum wage increase. Conference and training increased by 41% because the district joined HR Source and the previous year not as many staff attended the Illinois Park Conference in January. Contractual expense increased by 8% because a new program was introduced called MMA. Phone and Long Distance decreased by 29% because the prior year was out of contract so the costs were higher. Program supplies, preschool supplies, senior and special event expenses decreased due to closed facilities in March. Program refunds increased by 58% due to canceled programs. Trips decreased by 46% due to many trips that were canceled and also the weeklong trip had less participants. Skate Park decreased due to the ramps getting renovated so no Skatelite product was needed. Costume expense was decreased by 21% because one of the classes with 23 students was not purchased due to the Coronavirus. Liability increased because there were 13 payments due an additional check that had to be written because one was stolen from the post offices mailbox. Preschool instructor, facility manager and building supervisor all decreased due to closing the facilities in mid March.

## Financial Analysis of the District's Funds

Combined fund balances were \$5,638,932 at April 30, 2020. As of April 30, 2020, the General, Recreation, Debt Service and Capital Projects Fund Balances (District's major funds) were \$779,333, \$1,461,983, \$326,011 and \$2,962,711, 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 \$2,339,250 and total expenditures were \$2,300,423. Revenue exceeded expenses by \$38,827.

## Budgetary Highlights

Actual revenue was higher than budgeted in the General (\$104,529) fund due to tax distributions and interest of investments. Actual expenses were lower than budgeted in the General (\$86,107) fund due to halting all expenditures for two months from the Coronavirus and not hiring for a full-time open maintenance position for four months. Actual revenue was lower than budgeted revenue for the Recreation fund (\$125,415) due to shutting down facilities for two months for the Coronavirus. Actual expenditures were higher than the final budgeted expenditures for the Recreation (\$210,395) fund primarily to budgeted expenditures being set conservatively high and the Coronavirus. The auditors required that we recognize a \$105,215 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, 2020, the District had invested \$10,464,791 (before accumulated depreciation of \$4,446,937) in a broad range of capital assets as shown in the table below.

Depreciation expense was \$257,711 for the year ended April 30, 2020. There were \$39,256 in additions and \$25,956 in retirements to capital assets in the year ended April 30, 2020.

	<u>April 30, 2019</u>	<u>April 30, 2020</u>
Land (not being depreciated)	\$ 863,397	\$ 863,397
Construction in Progress (not being depr.)	58,795	58,795
Land Improvements	2,758,285	2,758,285
Buildings	5,460,792	5,460,792
Playground and Equipment	1,106,329	1,130,310
Vehicles	<u>203,893</u>	<u>193,212</u>
Cost of Capital Assets	10,451,491	10,464,791
Less: Accumulated Depreciation	<u>4,212,056</u>	<u>4,446,937</u>
Net Capital Assets	<u>\$ 6,239,435</u>	<u>\$ 6,017,854</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, 2019 and 2020:

	<u>2019</u>	<u>2020</u>
Bonds Payable, Beginning	\$ 1,465,000	\$ 1,160,000
Bonds Issued	-	3,725,000
Principal Payments	<u>(305,000)</u>	<u>(1,160,000)</u>
Bonds Payable, Ending	<u>\$ 1,160,000</u>	<u>\$ 3,725,000</u>

Long-term debt consisted of the following issuance at April 30, 2020:

Bonds were issued in January \$1,165,000 Series 2020A and \$2,560,000 Series 2020B. Series 2020A will be used for capital projects and 2020B for the Cynthia Neal Center renovation.

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 began for the OSLAD grant agreement by IDNR for Kasey Meadow Park Phase III which includes the event stairs and seating, skate park, basketball courts, soccer court and tennis courts. The grant amount will be \$368,200 for a total project budgeted cost of \$736,400. The project should be complete in the fall of 2020.
- Construction has begun for the Cynthia Neal Administration and Recreation Center renovation which will be complete by October 2020. The total project cost is \$2,882,048.
- Concert Trailer (\$75,000)
- Wing Mower (\$55,000).
- New phone system (\$12,000).
- Purchase two new pieces for the fitness center (\$11,500).
- Various sealcoating projects (\$10,000)
- Purchase and install financial and recreation software (Budget amount \$20,500).
- Cut lips KM ballfield (\$7,000).
- Tuckpointing at Krueger Park (\$6,000).
- Storage container (\$4,000).

## 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, 2020

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 6,661,525
Cash held at paying agent	19,488
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	818,138
Prepaid expenses	4,884
Other receivables	12,969
Capital assets not being depreciated	922,192
Capital assets being depreciated (net of accumulated depreciation)	5,095,662
Total assets	13,534,858
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension items - IMRF	195,178
Pension items - OPEB	4,055
Total deferred outflows of resources	199,233
Total assets and deferred outflows of resources	13,734,091
<b>LIABILITIES</b>	
Accounts payable	31,058
Refunds payable	52,028
Accrued interest payable	22,916
Accrued payroll	27,356
Unearned revenue	32,230
Unearned grant revenue	150,270
Noncurrent liabilities	
Due within one year	393,227
Due in more than one year	3,925,111
Total liabilities	4,634,196
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property tax revenue	1,585,130
Pension items - IMRF	206,369
OPEB items	19,252
Total deferred inflows of resources	1,810,751
Total liabilities and deferred inflows of resources	6,444,947
<b>NET POSITION</b>	
Net investment in capital assets	5,255,565
Restricted for	
Debt service	326,011
Special recreation	76,989
Police protection	391
Insurance	31,514
Unrestricted	1,598,674
<b>TOTAL NET POSITION</b>	<b>\$ 7,289,144</b>

See accompanying notes to financial statements.



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

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2020

	General	Recreation	Capital Projects
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
Cash and investments	\$ 1,022,965	\$ 1,831,115	\$ 3,113,981
Cash held at paying agent	-	-	-
Accrued interest	12,969	-	-
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	265,330	256,220	-
Prepaid items	1,986	2,898	-
	1,303,250	2,090,233	3,113,981
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	-	-	-
	-	-	-
Total deferred outflows of resources	-	-	-
	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,303,250</b>	<b>\$ 2,090,233</b>	<b>\$ 3,113,981</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 714	\$ 29,344	\$ 1,000
Accrued payroll	9,130	18,226	-
Refunds payable	-	52,028	-
Unearned program revenue	-	32,230	-
Unearned grant revenue	-	-	150,270
	9,844	131,828	151,270
Total liabilities	9,844	131,828	151,270
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax revenue	514,073	496,422	-
	514,073	496,422	-
Total deferred inflows of resources	514,073	496,422	-
	514,073	496,422	-
Total liabilities and deferred inflows of resources	523,917	628,250	151,270
	523,917	628,250	151,270
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid items	1,986	2,898	-
Restricted			
Capital projects	-	-	2,962,711
Debt service	-	-	-
Police program	-	-	-
Special recreation	-	-	-
Insurance	-	-	-
Unrestricted			
Assigned for recreation programs	-	1,459,085	-
Unassigned	777,347	-	-
General Fund	777,347	-	-
	779,333	1,461,983	2,962,711
Total fund balances	779,333	1,461,983	2,962,711
	779,333	1,461,983	2,962,711
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,303,250</b>	<b>\$ 2,090,233</b>	<b>\$ 3,113,981</b>

	<b>Debt Service</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental</b>
\$	507,559	\$ 185,905	\$ 6,661,525
	19,488	-	19,488
	-	-	12,969
	214,441	82,147	818,138
	-	-	4,884
	<u>741,488</u>	<u>268,052</u>	<u>7,517,004</u>
	-	-	-
	-	-	-
\$	<u>741,488</u>	<u>\$ 268,052</u>	<u>\$ 7,517,004</u>
\$	-	\$ -	\$ 31,058
	-	-	27,356
	-	-	52,028
	-	-	32,230
	-	-	150,270
	-	-	292,942
	<u>415,477</u>	<u>159,158</u>	<u>1,585,130</u>
	<u>415,477</u>	<u>159,158</u>	<u>1,585,130</u>
	<u>415,477</u>	<u>159,158</u>	<u>1,878,072</u>
	-	-	4,884
	-	-	2,962,711
	326,011	-	326,011
	-	391	391
	-	76,989	76,989
	-	31,514	31,514
	-	-	1,459,085
	-	-	777,347
	<u>326,011</u>	<u>108,894</u>	<u>5,638,932</u>
\$	<u>741,488</u>	<u>\$ 268,052</u>	<u>\$ 7,517,004</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, 2020

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 5,638,932</b>
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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	6,017,854
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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	(11,191)
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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	(15,197)
--	----------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds	
General obligation bonds	(3,725,000)
Net pension liability - IMRF	(512,204)
Total OPEB liability	(59,130)
Compensated absences	(22,004)
Interest payable	<u>(22,916)</u>

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 7,289,144</u></u></b>
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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, 2020

	<u>General</u>	<u>Recreation</u>	<u>Capital Projects</u>
<b>REVENUES</b>			
Taxes	\$ 486,515	\$ 433,700	\$ -
Intergovernmental	-	-	-
Charges for services	-	669,455	-
Interest Income	79,240	-	1,723
Net increase (decrease) in the fair value of investments	59,871	-	-
Grants	-	-	34,854
Donations	-	7,350	-
Other	1,403	-	-
	<hr/>		
Total revenues	627,029	1,110,505	36,577
<b>EXPENDITURES</b>			
Current			
General government	451,093	-	-
Recreation	-	1,040,105	-
Capital outlay	-	-	258,022
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	52,750
	<hr/>		
Total expenditures	451,093	1,040,105	310,772
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	175,936	70,400	(274,195)
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of bonds	-	-	3,725,000
Payments to escrow agent	-	-	(844,436)
	<hr/>		
Total other financing sources (uses)	-	-	2,880,564
<b>NET CHANGE IN FUND BALANCES</b>			
	175,936	70,400	2,606,369
<b>FUND BALANCES, MAY 1</b>			
	603,397	1,391,583	356,342
<b>FUND BALANCES, APRIL 30</b>			
	\$ 779,333	\$ 1,461,983	\$ 2,962,711



**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, 2020

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 2,919,391</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	39,256
Depreciation on capital assets is reported as an expense in the statement of activities	(257,711)
The loss on disposal of capital assets is reported as an expense in the statement of activities	(3,126)
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	998
Accrued interest	(7,516)
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	(17,145)
The change in total OPEB liability, deferred inflows and deferred outflows are not a source or use of a financial resource	(3,148)
The issuance of long-term debt and the related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred charges on the governmental-wide statements	
Issuance of bonds	(3,725,000)
Payment to escrow agent	844,436
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>320,000</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 110,435</u></u></b>

See accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

April 30, 2020

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**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.

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.

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

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

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the 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.

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.

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

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

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

The government-wide 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.

The District reports unavailable/deferred revenue and unearned revenue on its financial statements. Unavailable/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 period intended to finance at the government-wide level. Unearned revenues 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 and unavailable/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.

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

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

e. Deposits and Investments (Continued)

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.

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.

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

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

h. Capital Assets (Continued)

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

<u>Assets</u>	<u>Years</u>
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.

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.

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

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

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.

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.

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

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

l. Interfund Transactions (Continued)

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.

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.”

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

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

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. The investment policy shall include material, relevant, and decision-useful sustainability factors to be considered by the Treasurer in evaluating investment decisions, including, but not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act.

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.

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

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

c. Investments

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury securities	\$ 4,905,990	\$ 4,073,177	\$ 832,813	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 4,905,990</b>	<b>\$ 4,073,177</b>	<b>\$ 832,813</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2020: 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.

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.

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

**3. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 863,397	\$ -	\$ -	\$ 863,397
Construction in progress	58,795	-	-	58,795
Total capital assets not being depreciated	<u>922,192</u>	<u>-</u>	<u>-</u>	<u>922,192</u>
Capital assets being depreciated				
Buildings	5,460,792	-	-	5,460,792
Land improvements	2,758,285	-	-	2,758,285
Playground and equipment	1,106,329	39,256	15,275	1,130,310
Vehicles	203,893	-	10,681	193,212
Total capital assets being depreciated	<u>9,529,299</u>	<u>39,256</u>	<u>25,956</u>	<u>9,542,599</u>
Less accumulated depreciation for				
Buildings	1,771,352	114,075	-	1,885,427
Land improvements	1,626,961	76,771	-	1,703,732
Playground and equipment	648,304	58,683	12,149	694,838
Vehicles	165,439	8,182	10,681	162,940
Total accumulated depreciation	<u>4,212,056</u>	<u>257,711</u>	<u>22,830</u>	<u>4,446,937</u>
Total capital assets being depreciated, net	<u>5,317,243</u>	<u>(218,455)</u>	<u>3,126</u>	<u>5,095,662</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$ 6,239,435</u>	<u>\$ (218,455)</u>	<u>\$ 3,126</u>	<u>\$ 6,017,854</u>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 206,169
Recreation	<u>51,542</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 257,711</u></u>

**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, 2020:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion	Long-Term Portion
<b>GOVERNMENTAL ACTIVITIES</b>						
General obligation bonds	\$ 1,160,000	\$ 3,725,000	\$ 1,160,000	\$ 3,725,000	\$ 377,000	\$ 3,348,000
Compensated absences	23,002	3,603	4,601	22,004	4,401	17,603
Net pension liability	735,841	-	223,637	512,204	-	512,204
Total OPEB liability	69,122	-	9,992	59,130	11,826	47,304
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>						
	<u>\$ 1,987,965</u>	<u>\$ 3,728,603</u>	<u>\$ 1,398,230</u>	<u>\$ 4,318,338</u>	<u>\$ 393,227</u>	<u>\$ 3,925,111</u>

a. **General Obligation Bonds Payable**

The outstanding general obligations bonds debt as of April 30, 2020 consists of the following individual amounts:

	Fund Retired by	Balance April 30,	Current Portion
General Obligation Limited Tax Park Bond Series 2020A; principal payable annually on December 1, 2020 through 2022; Interest paid semi-annually on June 1 and December 1 at rates ranging from 1.82% to 1.85%. (Direct Placement Debt)	Debt Service	\$ 1,165,000	\$ 377,000
General Obligation (Alternate Revenue Source) Bond Series 2020B; Original issue of \$2,560,000 Principal payable annually on December 1, 2022 through 2032; Interest paid semi-annually on June 1 and December 1 at the rate of 2.03%. (Direct Placement Debt)	Debt Service	2,560,000	-
<b>TOTAL GENERAL OBLIGATION BONDS PAYABLE</b>		<u>\$ 3,725,000</u>	<u>\$ 377,000</u>

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

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**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, 2020 are as follows:

Fiscal Year Ending April 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 377,000	\$ 36,665	\$ 413,665
2022	387,000	66,469	453,469
2023	561,000	59,387	620,387
2024	170,000	48,720	218,720
2025	175,000	45,269	220,269
2026	280,000	41,717	321,717
2027	375,000	36,033	411,033
2028	375,000	28,420	403,420
2029	230,000	20,808	250,808
2030	240,000	16,139	256,139
2031	195,000	11,267	206,267
2032	200,000	7,308	207,308
2033	160,000	3,248	163,248
<b>TOTAL</b>	<b>\$ 3,725,000</b>	<b>\$ 421,450</b>	<b>\$ 4,146,450</b>

c. Current year refunding

During the year ended April 30, 2020, the District issued the General Obligation Limited Tax Park Bond Series 2020A to refund the 2010B General Obligation Park Bonds and to obtain funds for future District capital projects. As a result of the transaction, the District achieved cash flow savings of \$194,854 and an economic gain of \$166,321.

d. Pledged Revenues

The District issued the General Obligation Alternate Revenue Source Bond Series of 2020B. These bonds are payable from a pledge of the District's General Fund revenues. During the current fiscal year, no pledged General Fund revenue was used for paying the Series 2020B.

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

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**5. 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 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.

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

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**5. RISK MANAGEMENT (Continued)**

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). 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.

**6. EMPLOYEE RETIREMENT SYSTEMS**

Illinois Municipal Retirement Fund

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. Illinois Municipal Retirement Fund (IMRF) is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the Plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the Plan as a whole but not by individual employer. That report may be obtained at [www.imrf.org](http://www.imrf.org) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

*Plan Administration*

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

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

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

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

Illinois Municipal Retirement Fund (Continued)

*Plan Membership*

At December 31, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<u>12</u>
 TOTAL	 <u><u>26</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, 2020, the District's contribution rate was 12.59% (13.60% in 2019) of covered payroll.

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

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

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The District's net pension liability was measured as of December 31, 2019 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, 2019
Actuarial cost method	Entry-age normal
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Asset valuation method	Fair value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

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

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2020 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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

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

Illinois Municipal Retirement Fund) (Continued)

*Changes in the Net Pension Liability (Asset)*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2019	\$ 3,774,349	\$ 3,038,508	\$ 735,841
Changes for the period			
Service cost	54,083	-	54,083
Interest	269,997	-	269,997
Difference between expected and actual experience	120,720	-	120,720
Changes in assumptions	-	-	-
Employer contributions	-	70,816	(70,816)
Employee contributions	-	26,534	(26,534)
Net investment income	-	557,806	(557,806)
Benefit payments and refunds	(154,598)	(154,598)	-
Other (net transfer)	-	13,281	(13,281)
Net changes	290,202	513,839	(223,637)
BALANCES AT DECEMBER 31, 2019	\$ 4,064,551	\$ 3,552,347	\$ 512,204

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

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

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2020, the District recognized pension expense of \$86,018.

At April 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 112,159	\$ 17,896
Changes in assumption	61,990	47,897
Employer contributions after the measurement date	21,029	-
Net difference between projected and actual earnings on pension plan investments	-	140,576
<b>TOTAL</b>	<u><u>\$ 195,178</u></u>	<u><u>\$ 206,369</u></u>

\$21,029 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, 2021.

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>	
2021	\$ (14,702)
2022	(16,257)
2023	47,931
2024	<u>(49,192)</u>
<b>TOTAL</b>	<u><u>\$ (32,220)</u></u>

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

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

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity 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	\$ 1,046,075	\$ 512,204	\$ 67,591

**7. 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)

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**7. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At September 30, 2019, 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>8</u>
 TOTAL	 <u><u>8</u></u>

d. Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation performed as of September 30, 2019 using the following actuarial methods and assumptions.

Actuarial valuation date	September 30, 2019
Measurement date	September 30, 2019
Actuarial cost method	Entry-age normal
Inflation	2.50%
Discount rate	2.66%
Healthcare cost trend rates	7.00% to 8.00% in 2019 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)

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**7. 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, 2019.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT OCTOBER 1, 2018	\$ 69,122
Changes for the period	
Service cost	2,187
Interest	2,972
Difference between expected and actual experience	(19,204)
Changes in assumptions	4,471
Implicit benefit payments	<u>(418)</u>
Net changes	<u>(9,992)</u>
BALANCES AT SEPTEMBER 30, 2019	<u>\$ 59,130</u>

There was a change in assumptions related to the discount rate, valuation-year per capita health costs, retiree contribution rates, trend rates on per capita health costs, contribution rates, the percent of future retirees assumed to have an eligible spouse who opts for coverage was changed and the age spread between husband and wife was decreased.

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

**7. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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 2.66% 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 (1.66%) or 1 percentage point higher (3.66%) than the current rate:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB liability	\$ 62,592	\$ 59,130	\$ 55,634

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 7% to 8% 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 (6% to 7%) or 1 percentage point higher (8% to 9%) than the current rate:

	1% Decrease (6% to 7%)	Current Healthcare Rate (7% to 8%)	1% Increase (8% to 9%)
Total OPEB liability	\$ 53,789	\$ 59,130	\$ 65,110

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

For the year ended April 30, 2020, the District recognized OPEB expense of \$3,148. At April 30, 2020, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 17,418
Changes in assumption	4,055	1,834
<b>TOTAL</b>	<b>\$ 4,055</b>	<b>\$ 19,252</b>

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

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**7. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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,	
2021	\$ (1,593)
2022	(1,593)
2023	(1,593)
2024	(1,593)
2025	(1,593)
Thereafter	<u>(7,232)</u>
TOTAL	<u>\$ (15,197)</u>

**8. 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.

**9. 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 \$81,347 to SWSRA during the current fiscal year. Separate financial statements for SWSRA are available from SWSRA's management.

**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, 2020

	<b>Final Appropriation</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 492,000	\$ 492,000	\$ 464,766	\$ (27,234)
Replacement taxes	18,500	18,500	21,749	3,249
Interest income	11,000	11,000	79,240	68,240
Net increase (decrease) in the fair value of investments	-	-	59,871	59,871
Other	1,000	1,000	1,403	403
Total revenues	522,500	522,500	627,029	104,529
<b>EXPENDITURES</b>				
Current				
General government				
Admin/clerical salaries	\$ 194,400	159,500	157,938	(1,562)
Maintenance salaries	139,500	95,400	73,403	(21,997)
Health insurance (employees)	72,000	34,500	17,953	(16,547)
Contractual service	167,100	97,500	92,761	(4,739)
General supplies	25,000	23,000	14,536	(8,464)
Maintenance	19,900	36,000	14,669	(21,331)
Building supplies	52,200	14,300	8,220	(6,080)
Equipment/improvements	38,100	21,000	16,003	(4,997)
Social Security (FICA)	76,000	56,000	55,610	(390)
Total expenditures	\$ 784,200	537,200	451,093	(86,107)
NET CHANGE IN FUND BALANCE	\$ (14,700)	(14,700)	175,936	\$ 190,636
FUND BALANCE, MAY 1			603,397	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 779,333</b>	

(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, 2020

	<u>Final Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>				
Property taxes		\$ 462,520	\$ 433,700	\$ (28,820)
Recreation revenue		765,900	669,455	(96,445)
Donations		7,500	7,350	(150)
				<hr/>
Total revenues		1,235,920	1,110,505	(125,415)
<b>EXPENDITURES</b>				
Recreation				
Admin/clerical	\$ 229,700	218,200	196,829	(21,371)
Program instructors	231,100	198,000	170,086	(27,914)
Maintenance	102,300	77,000	65,444	(11,556)
Facility supervisors	68,000	48,500	41,185	(7,315)
Contracted programs	234,000	186,500	157,825	(28,675)
Health insurance (employees)	98,000	79,500	85,996	6,496
Refunds	18,500	12,500	14,901	2,401
Great America tickets	20,000	14,000	7,971	(6,029)
Program equipment/supplies	271,500	228,800	150,966	(77,834)
Seminars/training	14,000	11,000	8,800	(2,200)
Association membership	9,000	7,000	6,863	(137)
Fitness center/Splash Pad	46,000	24,000	16,547	(7,453)
Capital equipment/projects	17,000	31,500	7,476	(24,024)
IMRF	134,000	81,000	68,873	(12,127)
Liability insurance	30,000	21,000	25,684	4,684
Workers compensation insurance	24,000	12,000	14,659	2,659
				<hr/>
Total expenditures	<u>\$ 1,547,100</u>	1,250,500	1,040,105	(210,395)
NET CHANGE IN FUND BALANCE		<u>\$ (14,580)</u>	70,400	<u>\$ 84,980</u>
FUND BALANCE, MAY 1			<u>1,391,583</u>	
FUND BALANCE, APRIL 30			<u>\$ 1,461,983</u>	

(See independent auditor's report.)

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

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

Last Six Fiscal Years

<b>FISCAL YEAR ENDING APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ 72,880	\$ 71,161	\$ 73,871	\$ 69,294	\$ 72,870	\$ 68,873
Contributions in relation to the actuarially determined contribution	72,880	71,160	73,871	69,294	72,870	68,873
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 488,473	\$ 489,079	\$ 494,448	\$ 516,736	\$ 535,880	\$ 547,193
Contributions as a percentage of covered payroll	14.92%	14.55%	14.94%	13.41%	13.60%	12.59%

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 24 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, and projected salary increases assumption of 3.35% to 14.25% 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 Six Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 53,726	\$ 52,166	\$ 51,162	\$ 50,867	\$ 50,282	\$ 54,083
Interest	215,528	234,257	241,875	257,036	260,868	269,997
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(1,874)	(55,123)	53,807	14,541	(27,947)	120,720
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)	(154,598)
Net change in total pension liability	270,452	106,896	196,053	48,905	248,353	290,202
Total pension liability - beginning	2,903,690	3,174,142	3,281,038	3,477,091	3,525,996	3,774,349
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 3,174,142</b>	<b>\$ 3,281,038</b>	<b>\$ 3,477,091</b>	<b>\$ 3,525,996</b>	<b>\$ 3,774,349</b>	<b>\$ 4,064,551</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 72,880	\$ 71,160	\$ 73,871	\$ 69,294	\$ 75,987	\$ 70,816
Contributions - member	21,981	22,266	22,250	23,253	24,240	26,534
Net investment income	153,449	13,335	185,127	496,076	(160,414)	557,806
Benefit payments, including refunds of member contributions	(106,032)	(120,090)	(137,342)	(150,755)	(145,806)	(154,598)
Other	16,993	24,287	33,137	(51,689)	(10,101)	13,281
Net change in plan fiduciary net position	159,271	10,958	177,043	386,179	(216,094)	513,839
Plan net position - beginning	2,521,151	2,680,422	2,691,380	2,868,423	3,254,602	3,038,508
<b>PLAN NET POSITION - ENDING</b>	<b>\$ 2,680,422</b>	<b>\$ 2,691,380</b>	<b>\$ 2,868,423</b>	<b>\$ 3,254,602</b>	<b>\$ 3,038,508</b>	<b>\$ 3,552,347</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 493,720</b>	<b>\$ 589,658</b>	<b>\$ 608,668</b>	<b>\$ 271,394</b>	<b>\$ 735,841</b>	<b>\$ 512,204</b>
Plan fiduciary net position as a percentage of the total pension liability	84.45%	82.03%	82.49%	92.30%	80.50%	87.40%
Covered payroll	\$ 488,473	\$ 489,079	\$ 494,448	\$ 516,736	\$ 535,880	\$ 589,635
Employer's net pension liability as a percentage of covered payroll	101.07%	120.56%	123.10%	52.52%	137.31%	86.87%

**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 Two Fiscal Years

<b>MEASUREMENT DATE SEPTEMBER 30,</b>	<b>2018</b>	<b>2019</b>
<b>TOTAL OPEB LIABILITY</b>		
Service cost	\$ 2,337	\$ 2,187
Interest	2,515	2,972
Differences between expected and actual experience	-	(19,204)
Changes in assumptions	(2,280)	4,471
Implicit benefit payments	(391)	(418)
Net change in total OPEB liability	2,181	(9,992)
Total OPEB liability - beginning	66,941	69,122
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 69,122</b>	<b>\$ 59,130</b>
Covered payroll	\$ 489,335	\$ 429,184
Employer's total OPEB liability as a percentage of covered payroll	14.13%	13.78%

2019 - There was a change in assumptions related to the discount rate, valuation-year per capita health costs, retiree contribution rates, trend rates on per capita health costs, contribution rates, the percent of future retirees assumed to have an eligible spouse who opts for coverage was changed and the age spread between husband and wife was decreased.

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

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, 2020

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**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.

No funds had expenditures greater than the appropriation for the year ended April 30, 2020.

**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, 2020

	<b>Final Appropriation</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property taxes		\$ 376,000	\$ 381,196	\$ 5,196
Intergovernmental		18,000	17,645	(355)
		394,000	398,841	4,841
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	\$ -	-	320,000	320,000
Interest and fiscal charges	417,300	379,238	61,480	(317,758)
	\$ 417,300	379,238	381,480	2,242
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ 14,762</b>	<b>17,361</b>	<b>\$ 2,599</b>
<b>FUND BALANCE, MAY 1</b>			<b>308,650</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 326,011</b>	

(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, 2020

	<u>Final Appropriation</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>				
Grant Income		\$ -	\$ 34,854	\$ 34,854
Interest Income		-	1,723	1,723
			<u>36,577</u>	<u>36,577</u>
Total revenues		-	36,577	36,577
<b>EXPENDITURES</b>				
Capital outlay				
Capital improvements	\$ 2,623,000	2,520,500	258,022	(2,262,478)
Debt service				
Interest and fiscal charges	-	-	52,750	52,750
			<u>310,772</u>	<u>(2,209,728)</u>
Total expenditures	2,623,000	2,520,500	310,772	(2,209,728)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>\$ (2,623,000)</u>	<u>(2,520,500)</u>	<u>(274,195)</u>	<u>2,246,305</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds		-	3,725,000	3,725,000
Payment to Escrow Agent		-	(844,436)	(844,436)
			<u>2,880,564</u>	<u>2,880,564</u>
Total other financing sources (uses)		-	2,880,564	2,880,564
<b>NET CHANGE IN FUND BALANCE</b>				
		<u>\$ (2,520,500)</u>	2,606,369	<u>\$ 5,126,869</u>
<b>FUND BALANCE, MAY 1</b>				
			<u>356,342</u>	
<b>FUND BALANCE, APRIL 30</b>				
			<u>\$ 2,962,711</u>	

(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, 2020

	<b>Special Revenue</b>		
	<b>Police Program</b>	<b>Liability Insurance</b>	<b>Workers' Compensation</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
Cash	\$ 2,883	\$ 1,619	\$ 914
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	2,658	-	-
Total assets	5,541	1,619	914
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	-	-	-
Total deferred outflows of resources	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	\$ 5,541	\$ 1,619	\$ 914
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
None	\$ -	\$ -	\$ -
Total liabilities	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax revenue	5,150	-	-
Total deferred inflows of resources	5,150	-	-
Total liabilities and deferred inflows of resources	5,150	-	-
<b>FUND BALANCES</b>			
Restricted			
Police program	391	-	-
Special recreation	-	-	-
Insurance	-	1,619	914
Total fund balances	391	1,619	914
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
	\$ 5,541	\$ 1,619	\$ 914

<b>Special Revenue</b>		
<b>Unemployment</b>	<b>Special Recreation</b>	<b>Total</b>
\$ 29,479	\$ 151,010	\$ 185,905
532	78,957	82,147
30,011	229,967	268,052
-	-	-
-	-	-
\$ 30,011	\$ 229,967	\$ 268,052
\$ -	\$ -	\$ -
-	-	-
1,030	152,978	159,158
1,030	152,978	159,158
1,030	152,978	159,158
-	-	391
-	76,989	76,989
28,981	-	31,514
28,981	76,989	108,894
\$ 30,011	\$ 229,967	\$ 268,052

(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, 2020

	<b>Special Revenue</b>		
	<b>Police Program</b>	<b>Liability Insurance</b>	<b>Workers' Compensation</b>
<b>REVENUES</b>			
Property taxes	\$ 4,358	\$ -	\$ -
Total revenues	4,358	-	-
<b>EXPENDITURES</b>			
Current			
General government	4,508	-	-
Recreation	-	-	-
Total expenditures	4,508	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(150)	-	-
<b>FUND BALANCES, MAY 1</b>	541	1,619	914
<b>FUND BALANCES, APRIL 30</b>	\$ 391	\$ 1,619	\$ 914

<b>Special Revenue</b>		
<b>Unemployment</b>	<b>Special Recreation</b>	<b>Total</b>
\$ 1,106	\$ 160,834	\$ 166,298
1,106	160,834	166,298
-	-	4,508
-	112,465	112,465
-	112,465	116,973
1,106	48,369	49,325
27,875	28,620	59,569
\$ 28,981	\$ 76,989	\$ 108,894

(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, 2020

	<b>Original and Final Appropriation</b>	<b>Original and Final Appropriation</b>	<b>Actual</b>	<b>Variance Over (Under) Budget</b>
<b>REVENUES</b>				
Property taxes		\$ 4,500	\$ 4,358	\$ (142)
Total revenues		4,500	4,358	(142)
<b>EXPENDITURES</b>				
Current				
General government				
Police	\$ 8,100	5,500	4,508	(992)
Total expenditures	\$ 8,100	5,500	4,508	(992)
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ (1,000)</b>	<b>(150)</b>	<b>\$ 850</b>
<b>FUND BALANCE, MAY 1</b>			<b>541</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 391</b>	

(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, 2020

	<b>Final Appropriation</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under) Budget</b>
<b>REVENUES</b>				
Property taxes		\$ 1,000	\$ 1,106	\$ 106
Total revenues		1,000	1,106	106
<b>EXPENDITURES</b>				
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)	1,106	\$ 7,106
FUND BALANCE, MAY 1			27,875	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 28,981</b>	

(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, 2020

	<b>Final Appropriation</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under) Budget</b>
<b>REVENUES</b>				
Property taxes		\$ 160,254	\$ 160,834	\$ 580
Total revenues		160,254	160,834	580
<b>EXPENDITURES</b>				
Current				
Recreation				
Program expenditures	\$ 80,127	80,127	81,347	1,220
ADA capital outlay	80,127	80,127	31,118	(49,009)
Total expenditures	\$ 160,254	160,254	112,465	(47,789)
<b>NET CHANGE IN FUND BALANCE</b>		\$ -	48,369	\$ 48,369
<b>FUND BALANCE, MAY 1</b>			28,620	
<b>FUND BALANCE, APRIL 30</b>			\$ 76,989	

(See independent auditor's report.)