

HANOVER PARK PARK DISTRICT

ANNUAL Financial Report

For the year ended April 30, 2019



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HANOVER PARK DISTRICT

Annual Financial Report

For the Year Ended April 30, 2019

Administrative Offices

1919 Walnut Street
Hanover Park, Illinois 60133

(630) 837-2468

Administrative Staff

Bob O'Brien – Executive Director
Nicole Cox – Superintendent of Recreation
Melissa Kress – Athletic Club Manager
Gabe Villar – Superintendent of Parks
and Planning

Board of Park Commissioners

Mary Morrison – President
Jon Duesing – Vice President
Leonard Morgan – Treasurer
Mark Elkins – Commissioner

Bryan Mraz – Attorney

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**Hanover Park District
Audit Report
For the Year Ended April 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Hanover Park Park District
Hanover Park, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Hanover Park Park District**, as of and for the year ended April 30, 2019, and the statements of revenues, expenditures and changes in fund balance (deficit) – budget and actual for the General Fund, and the Recreation and Centre Court Athletic Club (major Special Revenue) Funds and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hanover Park Park District, as of April 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, and the Recreation and Centre Court Athletic Club (major Special Revenue) Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note V.G. to the financial statements, the Park District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-13, the multiyear schedule of changes in net pension liability and related ratios – last 10 calendar years (page 67-68), and the multiyear schedule of contributions – last 10 fiscal years (page 69) for the Illinois Municipal Retirement Fund, and the multiyear schedule of changes in net OPEB liability and related ratios – last 10 calendar years (page 71) 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 Park District's basic financial statements. The combining and individual fund financial statements and schedules listed as supplementary information in the accompany table of contents and the statistical section are presented for purposes of additional analysis, and are not a required part of the basic financial statements.

Other Matters (cont'd)

Other Information (cont'd)

The supplementary information on pages 72 – 97 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

The statistical data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Selden Fox, Ltd.

August 26, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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**HANOVER PARK DISTRICT
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
APRIL 30, 2019**

The Hanover Park District (District) management's discussion and analysis offers readers of the District's financial statements an overview of the financial activities for the year ended April 30, 2019. Please read it in conjunction with the District's financial statements which begin on page 13.

Financial Highlights

The District's total assets/deferred outflows exceeded its total liabilities/deferred inflows at the close of the most recent fiscal year by \$9,449,793 (net position). Total net position decreased by \$160,916 from \$9,610,709 to \$9,449,793 over the course of the year. This decrease consisted of an increase from current year operations of \$103,681 and a prior period restatement for the adoption of Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which reduced net position by \$264,597.

As of the close of the current fiscal year, the governmental funds of the Hanover Park District reported combined ending fund balances of \$2,078,793, an increase of \$644,382 from the beginning fund balances, mainly due to two current year bond issuances and surpluses in the General and Recreation Funds.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$404,326 or 62% of total General Fund expenditures. This balance is available for spending at the discretion of the District.

Recreational program registrations increased from the prior year by \$20,882 or 6.1% to \$359,068. The Recreation Fund balance increased by \$39,731 to \$246,878 or 21% of total Recreation Fund expenditures.

Property taxes levied and collected for the tax year were \$3,030,361 compared to the prior year of \$2,992,436 for a 1.27% increase.

The District's outstanding long-term debt, including unamortized premium and deferred economic gain, decreased by \$47,433 (1.2 percent) during the current year.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The District's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

**HANOVER PARK DISTRICT
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (CONTINUED)
APRIL 30, 2019**

Government-wide Financial Statements (cont'd)

The first of these government-wide statements is the Statement of Net Position. This is the District-wide statement of position presenting information that includes all of the District's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the District's infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, culture and recreation, the Centre Court Athletic Club, and interest on long-term debt. Fiduciary activities such as employee pension plans are not included in the government-wide statements since these assets are not available to fund District programs.

The government-wide financial statements are presented on pages 13 - 15 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. There are three types of funds: governmental, proprietary and fiduciary. All the District's funds are considered governmental.

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

**HANOVER PARK DISTRICT
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (CONTINUED)
APRIL 30, 2019**

Fund Financial Statements (cont'd)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the General Fund and Major Special Revenue Funds. Budgetary comparison schedules for other special revenue funds, debt service funds, and capital projects funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 16 - 35 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 36 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information starts on page 67 of this report. Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report beginning on page 72.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Park District, assets/deferred outflows exceeded liabilities/deferred inflows by \$9,449,793.

**HANOVER PARK DISTRICT
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (CONTINUED)
APRIL 30, 2019**

Government-wide Financial Analysis (cont'd)

The following table reflects the condensed Statement of Net Position:

	<u>2019</u>	<u>2018</u>
Assets:		
Current and other assets	\$ 3,893,157	\$ 3,236,123
Capital assets	<u>10,889,123</u>	<u>11,481,665</u>
Total assets	<u>14,782,280</u>	<u>14,717,788</u>
Deferred Outflows	<u>683,952</u>	<u>373,242</u>
Total Assets/Deferred Outflows	<u>15,466,232</u>	<u>15,091,030</u>
Long-Term Debt	3,776,776	3,817,109
Other Liabilities	294,815	316,053
Net Pension and OPEB Liability	<u>1,848,886</u>	<u>596,841</u>
Total Liabilities	<u>5,920,477</u>	<u>4,730,003</u>
Deferred Inflows	<u>95,962</u>	<u>750,318</u>
Total Liabilities/Deferred Inflows	<u>6,016,439</u>	<u>5,480,321</u>
Net position:		
Investment in capital assets	7,086,609	7,631,718
Restricted	1,653,282	1,563,069
Unrestricted	<u>709,902</u>	<u>415,922</u>
Total net position	<u>\$ 9,449,793</u>	<u>\$ 9,610,709</u>

For more information see the Statement of Net Position (page 13).

A large portion of the District's net position, \$7,086,609, reflects its investment in capital assets (for example, land, construction, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The Park District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$1,653,282, of the District's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for property tax funds. The remaining balance of unrestricted net position, \$709,902, may be used to meet the government's ongoing obligations to citizens and creditors.

**HANOVER PARK DISTRICT
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (CONTINUED)
APRIL 30, 2019**

Government-wide Financial Analysis (cont'd)

The following table reflects the condensed Statement of Changes in Net Position:

		Changes in Net Assets	
		Governmental Activities	
		For the Year Ended	
		April 30, 2019	April 30, 2018
Revenues:			
Program revenues:			
Charges for services	\$	1,091,054	\$ 1,182,779
Operating grants and donations		-	146,559
General revenues:			
Taxes		3,096,474	3,059,862
Interest		14,004	4,503
Other		150,247	87,789
Total revenues		4,351,779	4,481,492
Expenses:			
General government		1,677,084	2,039,992
Culture and Recreation		1,688,465	1,504,974
Centre Court Athletic Club		774,197	868,500
Interest on long-term debt		108,352	114,876
Total expenses		4,248,098	4,528,342
Increase in net position		103,681	(46,850)
Net Position, beginning of year, as previously reported		9,610,709	9,657,559
Prior period restatement		(264,597)	
Net Position, beginning of year, as restated		9,346,112	
Net position, end of year	\$	9,449,793	\$ 9,610,709

Governmental Activities

Beginning net position was restated to account for other postemployment benefits in accordance with GASB Statement number 75, which became effective in the current year. Current year governmental activities increased the District's net position by \$103,681. Key elements of the entity-wide performance are as follows:

**HANOVER PARK DISTRICT
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (CONTINUED)
APRIL 30, 2019**

Government-wide Financial Analysis (cont'd)

Governmental Activities (cont'd)

Total revenues on the statement of activities of \$4,351,779 were made up primarily of property taxes of \$3,064,940 and user charges for recreation programs, Centre Court Athletic Club, and Seafari Springs Family Aquatic Center, totaling \$1,091,054.

Total expenses of \$4,248,098 (\$4,528,342 for the year ended April 30, 2018) included interest of \$108,352 (\$114,876 in 2018) and depreciation of \$687,025 (\$777,645 in 2018) which has been allocated between general government, culture and recreation, and Center Court Athletic Club based on underlying assets.

Financial Analysis of the District's Funds

As noted earlier, the Park District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$2,078,793. Of this year-end total, \$404,326 is unassigned in the General Fund and undesignated, indicating availability for general purposes. Assigned fund balances include: \$245,891 in the Recreation Fund assigned for general recreation purposes, and \$687,398 in the Capital Projects Fund committed for capital projects. Restricted fund balances include \$508,146 for Debt Service, \$68,874 for capital outlay and \$323,519 in the Special Revenue Funds. These amounts are subject to external enforceable legal restrictions such as property tax levies. Amounts considered to be non-spendable total \$2,510.

Total ending fund balance of governmental funds increased \$644,382 in 2019 from \$1,434,411 in the prior year to \$2,078,793 in the current year. This increase included surpluses in all major funds except the Centre Court Athletic Fund. Total inter-fund receivables/payables increased by \$54,000 in 2019 from \$80,000 in the prior year to \$134,000 in the current year.

The General Fund is the chief operating fund of the District. At the end of the current year, unassigned fund balance was \$404,326. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 62% of total General Fund expenditures. This fund balance has increased 250% in the last four years. This General Fund's balance was \$161,877 as of April 30, 2015. During the current fiscal year, the District's General Fund balance increased by \$106,340. Total expenditures decreased by 6% due to a reduction in all expense categories.

**HANOVER PARK DISTRICT
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (CONTINUED)
APRIL 30, 2019**

Financial Analysis of the District's Funds (cont'd)

Governmental Funds (cont'd)

The Recreation Fund accounts for the District's recreation programs that it offers to its residents and is funded by the receipt of both property taxes and user fees. The Recreation Fund reported a positive change in fund balance for the current year of \$39,731. Revenues increased by 6.7% due to better than expected patron usage of District programs and services. Fund balance as of April 30, 2019, of \$246,878 compares favorably to the deficit as of April 30, 2015 of \$31,129.

Disbursements from the Capital Projects Fund in 2019 decreased by \$140,493 to \$313,445 from \$453,938 in 2018 with the District incurring costs for major repairs and replacements. During the prior year, expenditures included \$133,909 for the completion of an entrance ramp (project cost \$330,748) funded primarily by an NWSRA grant.

The Debt Service Fund's prior year fund balance of \$496,443 at April 30, 2018, improved to \$508,146 at April 30, 2019.

General Fund Budgetary Highlights

During the 2018-2019 fiscal year, the District did not revise the annual operating budget.

The General Fund is reported as a major fund, and accounts for the routine park operations of the District.

The 2019 revenues in the General Fund were \$760,477 which were \$5,763 over budget.

General Fund expenditures in 2019 were \$654,137 which was \$96,910 (12.90%) under budget and all expenditures were as planned. The District closely monitors expenditures during the year, utilizing resources efficiently.

The General Fund's net change in fund balance was a positive \$106,340 which compared favorably to the budgeted surplus of \$3,667.

**HANOVER PARK DISTRICT
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (CONTINUED)
APRIL 30, 2019**

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation for governmental activities as of April 30, 2019 and 2018, was \$10,889,123 and \$11,481,665, respectively. Capital asset additions were funded by residual funds remaining from the 2016 and 2017 bonds and a portion of the 2018 bonds. There are remaining bond proceeds at April 30, 2019, that are planned to be spent on repairs, replacements and capital outlay in the future totaling \$323,171. Additional information on the Park District's capital assets can be found at Note IV.B.

Capital Assets (Net of Depreciation)

April 30, 2019

	<u>Governmental Activities</u>
Land	\$ 3,764,457
Construction in progress	5,684
Land improvements	1,614,457
Buildings	5,103,857
Machinery and equipment	397,085
Vehicles	<u>3,583</u>
Capital assets, net	<u>\$ 10,889,123</u>

Debt Administration

As of April 30, 2019, the Park District has general obligation debt outstanding of \$3,715,320 as compared to \$3,742,680 the previous year, a decrease of 0.73%. The fund surplus of the Debt Service Fund amounted to \$508,146 as of April 30, 2019.

	<u>Governmental Activities</u>
General obligation bonds	\$ 1,720,320
General obligation bonds Alternative revenue source	\$ 1,995,000
Total	<u>\$ 3,715,320</u>

**HANOVER PARK PARK DISTRICT
MANAGEMENT'S DISCUSSIONS AND ANALYSIS (CONTINUED)
APRIL 30, 2019**

Capital Asset and Debt Administration (cont'd)

Debt Administration (cont'd)

The 2018 equalized assessed valuation is \$558,339,684 (most recent available), with \$220,682,538 being Cook County and \$337,657,146 being DuPage County. On July 18, 1991, the Illinois General Assembly approved the Property Tax Extension Limitation Act 87-17 (the Act). The Act limits the increase in property tax extension to 5% or the percent increase in the National Consumers Price Index (CPI), whichever is less. The Act applies to the 1994 levy and all subsequent years. Increases above 5% or the CPI must be approved by the voters in a referendum. The Act contains significant limitations on the amount of property taxes that can be extended and on the ability of taxing districts to issue non-referendum general obligation bonds. Additional information on the District's long-term debt can be found at Note IV.D.

Initiatives

The District's mission is to become a vital asset serving the recreational and leisure needs of our citizens. Planned capital projects for fiscal year 2020 include: pool repairs, tennis facility and basketball court repairs, building and park improvements and computer replacements.

Requests for Information

This financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information please contact Lee J. Howard, CPA, Financial Advisor, Hanover Park Park District, 1919 Walnut Avenue, Hanover Park, Illinois 60133.

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BASIC FINANCIAL STATEMENTS

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**Hanover Park District
Statement of Net Position
Governmental Activities
April 30, 2019**

Assets and Deferred Outflows of Resources	
Current assets:	
Cash and investments	\$ 1,452,152
Receivables, net	2,438,495
Prepaid expenses	987
Inventory	1,523
Total current assets	3,893,157
Noncurrent assets:	
Capital assets not being depreciated	3,770,141
Capital assets, net of accumulated depreciation	7,118,982
Total noncurrent assets	10,889,123
Total assets	14,782,280
Deferred outflows of resources (See Note V.D)	683,952
Total assets and deferred outflows of resources	15,466,232
Liabilities and Deferred Inflows of Resources	
Current liabilities:	
Accounts payable	82,204
Accrued salaries and wages	93,846
Accrued interest	49,668
Unearned revenue	69,097
Total current liabilities	294,815
Noncurrent liabilities:	
Due within one year	1,344,090
Due in more than one year	4,281,572
Total noncurrent liabilities	5,625,662
Total liabilities	5,920,477
Deferred inflows of resources:	
Deferred economic gain on an advance refunding (See Note IV.D)	25,738
Deferred pension amounts (See Note V.D)	64,402
Deferred OPEB amounts (See Note V.E)	5,822
Total deferred inflows of resources	95,962
Total liabilities and deferred inflows of resources	6,016,439
Net Position	
Net investment in capital assets	7,086,609
Restricted for:	
Debt Service	921,124
Special Recreation	181,583
Liability Insurance	107,050
Retirement	238,237
Audit	19,726
Paving and Lighting	75,510
Museums and Aquariums	62,747
Police	47,305
Unrestricted	709,902
Total net position	\$ 9,449,793

See accompanying notes.

Hanover Park Park District
Statement of Activities
For the Year Ended April 30, 2019

Functions/Programs	Expenses	Charges for Services
Governmental activities:		
General government	\$ 1,677,084	\$ 105
Culture and recreation	1,688,465	519,999
Centre Court Athletic Club	774,197	570,950
Interest on long-term debt	108,352	-
Total governmental activities	\$ 4,248,098	\$ 1,091,054

See accompanying notes.

Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position - Governmental Activities
\$ -	\$ -	\$ (1,676,979)
-	-	(1,168,466)
-	-	(203,247)
-	-	(108,352)
\$ -	\$ -	(3,157,044)

General revenues:

Taxes:

Property	3,064,940
Replacement	31,534
Unrestricted investment earnings	14,004
Insurance recover proceeds	34,237
Miscellaneous	116,010

Total general revenues 3,260,725

Changes in net position 103,681

Net position, beginning of the year,
as previously reported 9,610,709
Prior period adjustment (264,597)

Net position, beginning of the year,
as adjusted 9,346,112

Net position, end of the year **\$ 9,449,793**

**Hanover Park District
Balance Sheet - Governmental Funds
April 30, 2019**

	General	Recreation
Assets		
Equity in pooled cash and investments	\$ 269,086	\$ 73,128
Receivables:		
Property taxes, net of allowance for uncollectible amounts	515,724	559,072
Due from other funds	-	49,000
Accounts receivable	-	7,087
Prepaid items	-	987
Inventory	-	-
Total assets	\$ 784,810	\$ 689,274
Liabilities		
Accounts payable	\$ 22,126	\$ 25,092
Accrued liabilities	23,442	32,330
Due to other funds	-	-
Recreation and membership fees received in advance	-	21,958
Total liabilities	45,568	79,380
Deferred Inflows of Resources		
Property taxes	334,916	363,016
Total liabilities and deferred inflows of resources	380,484	442,396
Fund Balances (Deficit)		
Nonspendable:		
Reserved for inventory	-	-
Reserved for prepaid items	-	987
Restricted for:		
Debt service	-	-
Special recreation programs	-	-
Other purposes	-	-
Capital outlay	-	-
Committed for capital outlay	-	-
Assigned for recreation	-	245,891
Unassigned, reported in:		
General fund	404,326	-
Special revenue funds	-	-
Total fund balance (deficit)	404,326	246,878
Total liabilities and fund balance	\$ 784,810	\$ 689,274

See accompanying notes.

Centre Court Athletic Club	Debt Service	Capital Projects General Obligation Limited Tax Park Bonds - Series 2019A	Nonmajor Funds	Totals
\$ 10,094	\$ 262,420	\$ 433,101	\$ 404,323	\$ 1,452,152
-	708,372	-	630,333	2,413,501
-	-	-	85,000	134,000
17,907	-	-	-	24,994
-	-	-	-	987
1,523	-	-	-	1,523
\$ 29,524	\$ 970,792	\$ 433,101	\$ 1,119,656	\$ 4,027,157
\$ 30,569	\$ -	\$ -	\$ 4,417	\$ 82,204
16,164	-	-	21,910	93,846
96,000	-	-	38,000	134,000
47,139	-	-	-	69,097
189,872	-	-	64,327	379,147
-	462,646	-	408,639	1,569,217
189,872	462,646	-	472,966	1,948,364
1,523	-	-	-	1,523
-	-	-	-	987
-	508,146	-	-	508,146
-	-	-	78,993	78,993
-	-	-	244,526	244,526
-	-	-	68,874	68,874
-	-	433,101	254,297	687,398
-	-	-	-	245,891
-	-	-	-	404,326
(161,871)	-	-	-	(161,871)
(160,348)	508,146	433,101	646,690	2,078,793
\$ 29,524	\$ 970,792	\$ 433,101	\$ 1,119,656	\$ 4,027,157

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**Hanover Park District
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
April 30, 2019**

Total fund balance - governmental funds (page 17)	\$ 2,078,793
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,889,123
Interest expense is not subject to accrual in governmental funds.	(49,668)
Revenues are recognized for governmental activities when earned, regardless of when collected, and not deferred on the statement of net position.	1,569,217
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.	(3,776,776)
Deferred inflows of resources related to a deferred economic gain on an advance refunding are not recorded in the funds.	(25,738)
Deferred inflows of resources related to the net pension and OPEB liabilities are not deferred in the governmental funds.	(70,224)
Deferred outflows of resources related to the net pension liability are not deferred in the governmental funds.	683,952
Pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,848,886)</u>
Net position of governmental activities (page 13)	<u>\$ 9,449,793</u>

See accompanying notes.

Hanover Park Park District
Combined Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficit) - Governmental Funds
For the Year Ended April 30, 2019

	<u>General</u>	<u>Recreation</u>
Revenues:		
Property taxes	\$ 648,357	\$ 698,216
Personal property replacement income tax	31,534	-
Recreational fees	-	435,416
Athletic club fees	-	-
Pro shop	-	-
Concession and vending	-	21,456
Merchandise for resale	-	185
Interest earned	11,634	-
Rentals	105	62,943
Other	68,847	14,008
	<u>760,477</u>	<u>1,232,224</u>
Total revenues	760,477	1,232,224
Expenditures:		
Current:		
Salaries and wages	333,945	662,972
Services	287,424	433,967
Repairs and maintenance	-	-
Supplies and materials	32,768	95,554
Debt service:		
Principal and interest	-	-
Paying agents' fees	-	-
Capital expenditures	-	-
	<u>654,137</u>	<u>1,192,493</u>
Total expenditures	654,137	1,192,493
Revenues over (under) expenditures		
before other financing sources (uses)	<u>106,340</u>	<u>39,731</u>

(cont'd)

Centre Court Athletic Club	Debt Service	Capital Projects General Obligation Limited Tax Park Bonds - Series 2019A	Nonmajor Funds	Totals
\$ -	\$ 893,824	\$ -	\$ 789,964	\$ 3,030,361
-	-	-	-	31,534
-	-	-	-	435,416
532,964	-	-	-	532,964
11,931	-	-	-	11,931
42	-	-	-	21,498
-	-	-	-	185
-	-	1,315	1,055	14,004
-	-	-	-	63,048
26,012	-	-	67,392	176,259
570,949	893,824	1,315	858,411	4,317,200
309,862	-	-	154,521	1,461,300
290,379	-	11,200	648,253	1,671,223
388	-	-	143,547	143,935
25,137	-	-	15,182	168,641
-	1,430,096	-	-	1,430,096
-	475	-	-	475
-	-	7,014	65,134	72,148
625,766	1,430,571	18,214	1,026,637	4,947,818
(54,817)	(536,747)	(16,899)	(168,226)	(630,618)

Hanover Park Park District
Combined Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficit) - Governmental Funds (cont'd)
For the Year Ended April 30, 2019

	<u>General</u>	<u>Recreation</u>
Other financing sources (uses):		
Bonds issued	\$ -	\$ -
Transfers in	-	-
Transfers out	-	-
	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net changes in fund balances (deficit)	106,340	39,731
Fund balances (deficit), beginning of the year	<u>297,986</u>	<u>207,147</u>
Fund balances (deficit), end of the year	<u>\$ 404,326</u>	<u>\$ 246,878</u>

See accompanying notes.

Centre Court Athletic Club	Debt Service	Capital Projects General Obligation Limited Tax Park Bonds - Series 2019A	Nonmajor Funds	Totals
\$ -	\$ 548,450	450,000	\$ 276,550	\$ 1,275,000
-	1,146	-	-	1,146
-	(1,146)	-	-	(1,146)
-	548,450	450,000	276,550	1,275,000
(54,817)	11,703	433,101	108,324	644,382
(105,531)	496,443	-	538,366	1,434,411
\$ (160,348)	\$ 508,146	\$ 433,101	\$ 646,690	\$ 2,078,793

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**Hanover Park District
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances (Deficit)
of Governmental Funds to the Statement of Activities
For the Year Ended April 30, 2019**

Amounts reported for governmental activities in the statement of activities (pages 14 -15) are different because:

Net changes in fund balances (deficit) - total governmental funds (Page 22)	\$ 644,382
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	94,483
Depreciation	(687,025)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	34,579
--	--------

In governmental funds, bond proceeds and refunding bond proceeds are an other financing source, but in the statement of net position are recorded as a noncurrent liability.	(1,275,000)
--	-------------

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,302,360
---	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds.

Decrease in accrued interest	(689)
Amortization of deferred gain on advance refunding	7,100
Amortization of bond premium	12,973

Outflows and inflows related to the net pension liability, as well as the change in the net pension liability, are not due and payable in the current period and, therefore, are not reported in the funds.	(40,424)
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Outflows and inflows related to the net OPEB liability, as well as the change in the net OPEB liability, are not due and payable in the current period and, therefore, are not reported in the funds.	10,942
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Change in net position of governmental activities (page 15)	\$ 103,681
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See accompanying notes.

Hanover Park Park District
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 656,014	\$ 657,322	\$ 1,308
Adjustment to prior year's taxes	-	(8,965)	(8,965)
Total property taxes	656,014	648,357	(7,657)
Replacement income taxes	33,300	31,534	(1,766)
Interest earned	3,000	11,634	8,634
Rentals	775	105	(670)
Other	61,625	68,847	7,222
Total revenues	754,714	760,477	5,763
Expenditures:			
Salaries and wages:			
Administrative	24,551	20,662	3,889
Customer service supervisor	16,295	17,826	(1,531)
Customer service staff	18,720	12,675	6,045
Secretarial	21,214	19,769	1,445
Bookkeeper	99,753	90,985	8,768
Maintenance - full-time	152,560	151,493	1,067
Maintenance - part-time	15,922	14,029	1,893
Computer support	2,125	2,063	62
Website technician	4,525	4,443	82
Total salaries and wages	355,665	333,945	21,720
Services:			
Contractual	43,728	32,063	11,665
Telephone	7,520	7,334	186
Natural gas	15,900	15,091	809
Water	3,940	3,498	442
Electricity	50,457	44,117	6,340
Postage	1,500	813	687
Health insurance	129,786	106,216	23,570
Membership dues	7,337	7,326	11
Continuing education	1,100	197	903

(cont'd)

Hanover Park Park District
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):			
Services (cont'd):			
Conferences and workshops	\$ 10,815	\$ 6,821	\$ 3,994
Bank charges	200	227	(27)
Mileage	250	75	175
Employee incentive program	1,962	1,607	355
Computer services	15,668	8,609	7,059
Professional services	26,000	25,650	350
Legal fees	22,735	24,025	(1,290)
Legal ads	500	208	292
Miscellaneous	3,030	3,547	(517)
Total services	342,428	287,424	55,004
Supplies and materials:			
Uniforms	2,650	2,596	54
Office supplies	3,965	3,851	114
Computer supplies	1,149	209	940
Gasoline	13,500	9,285	4,215
Oil	1,600	639	961
Custodial supplies	6,440	4,376	2,064
Marketing supplies	5,400	4,766	634
Safety supplies	1,400	189	1,211
Expendable equipment	750	92	658
Tools	4,000	1,871	2,129
Hardware	1,500	675	825

(cont'd)

Hanover Park Park District
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):			
Supplies and materials (cont'd):			
Grass seed	\$ 1,000	\$ 128	\$ 872
Fertilizer	1,000	-	1,000
Turf chemicals	3,000	5	2,995
Landscape materials	3,300	3,142	158
Cost to be reimbursed	2,000	525	1,475
Miscellaneous supplies	300	419	(119)
	<hr/>	<hr/>	<hr/>
Total supplies and materials	52,954	32,768	20,186
	<hr/>	<hr/>	<hr/>
Total expenditures	751,047	654,137	96,910
	<hr/>	<hr/>	<hr/>
Revenues over expenditures	\$ 3,667	106,340	\$ 102,673
	<hr/>	<hr/>	<hr/>
Fund balance, beginning of the year		297,986	
		<hr/>	
Fund balance, end of the year		\$ 404,326	
		<hr/>	

See accompanying notes.

**Hanover Park Park District
Recreation Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 699,109	\$ 707,345	\$ 8,236
Adjustment of prior year's taxes	-	(9,129)	(9,129)
Total property taxes	699,109	698,216	(893)
Recreation:			
Program fees	417,916	359,068	(58,848)
Concessions and vending fees	6,000	4,876	(1,124)
Rentals and advertising	55,000	61,971	6,971
Other	3,000	6,767	3,767
Seafari Springs:			
Season passes	8,935	6,125	(2,810)
Daily fees	71,365	37,239	(34,126)
Instruction fees	26,564	11,337	(15,227)
Group admissions	27,230	13,277	(13,953)
Rentals	2,000	-	(2,000)
Concessions and vending fees	26,550	16,580	(9,970)
Merchandise for resale	-	185	185
Swim team fees	10,272	8,370	(1,902)
Birthday party fees	750	972	222
Other	6,425	7,241	816
Total revenues	1,361,116	1,232,224	(128,892)
Expenditures:			
Recreation:			
Salaries and wages:			
Administrative	147,481	147,620	(139)
Recreation supervisors	67,864	61,990	5,874
Customer services supervisor	24,557	26,865	(2,308)
Maintenance - full-time	79,592	79,593	(1)
Maintenance - part-time	34,301	28,761	5,540
Program leaders	184,489	171,230	13,259

(cont'd)

**Hanover Park Park District
Recreation Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):			
Recreation (cont'd):			
Salaries and wages (cont'd):			
Customer service staff	\$ 36,758	\$ 33,273	\$ 3,485
Computer support	2,125	2,084	41
Marketing/sales/public information	22,625	22,183	442
Recreation coordinators	23,760	12,123	11,637
Total salaries and wages	623,552	585,722	37,830
Services:			
Contractual	61,848	64,389	(2,541)
Telephone	7,076	4,683	2,393
Natural gas	26,800	25,152	1,648
Electricity	48,219	40,867	7,352
Printing	25,500	24,576	924
Postage	1,200	1,129	71
Brochure postage	10,500	11,258	(758)
Health insurance	166,211	135,341	30,870
Transportation rental	4,500	6,690	(2,190)
Membership dues	2,304	1,282	1,022
Vending machine lease	1,740	1,536	204
Conferences and workshops	7,940	4,588	3,352
School rental	1,300	102	1,198
Continuing education	1,000	-	1,000
Bank charges	18,000	19,360	(1,360)
Employee incentive program	2,262	1,475	787
Computer service contract	15,668	8,599	7,069
Promotional advertising	4,605	2,007	2,598
Miscellaneous	4,261	5,010	(749)
Total services	410,934	358,044	52,890

(cont'd)

**Hanover Park Park District
Recreation Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):			
Recreation (cont'd):			
Repairs and maintenance - miscellaneous	\$ 500	\$ -	\$ 500
Total repairs and maintenance	500	-	500
Supplies and materials:			
Uniforms	9,400	7,829	1,571
Office supplies	3,340	2,268	1,072
Computer supplies	2,670	81	2,589
Gasoline	6,000	4,311	1,689
Custodial	6,080	3,872	2,208
Marketing supplies	9,440	2,501	6,939
Awards	1,470	1,157	313
Volunteer recognition	800	-	800
Program	13,690	17,051	(3,361)
Safety supplies	800	442	358
Field	6,280	2,663	3,617
Expendable equipment	600	-	600
Vending goods	3,700	4,068	(368)
Sales tax	750	727	23
Costs to be reimbursed	3,000	3,045	(45)
Miscellaneous	2,200	2,102	98
Total supplies and materials	70,220	52,117	18,103
Total recreation	1,105,206	995,883	109,323

(cont'd)

**Hanover Park Park District
Recreation Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):			
Seafari Springs:			
Salaries and wages:			
Maintenance - part-time	\$ 5,652	\$ 1,225	\$ 4,427
Managers	16,328	13,164	3,164
Head lifeguards	5,471	7,413	(1,942)
Lifeguards	62,289	42,800	19,489
Swim instructors	6,306	743	5,563
Swim lesson coordinator	1,122	-	1,122
Swim team coaches	5,899	3,978	1,921
Cashiers	5,669	3,447	2,222
Concessionaires	2,903	4,480	(1,577)
Total salaries and wages	111,639	77,250	34,389
Services:			
Telephone	3,400	5,527	(2,127)
Natural gas	18,048	12,941	5,107
Water and sewer	36,000	36,575	(575)
Electricity	18,467	18,769	(302)
Special events	150	-	150
Postage	245	-	245
Bank charges	2,000	1,881	119
Employee incentive program	200	-	200
Miscellaneous	1,420	230	1,190
Total services	79,930	75,923	4,007

(cont'd)

**Hanover Park Park District
Recreation Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):			
Seafari Springs (cont'd):			
Supplies and materials:			
Uniforms	\$ 3,680	\$ 1,742	\$ 1,938
Office supplies	200	-	200
Computer supplies	922	-	922
Pool chemicals	28,010	23,287	4,723
Custodial supplies	1,209	923	286
Merchandise for resale	200	-	200
Program supplies	450	89	361
Safety supplies	430	216	214
Birthday party supplies	300	23	277
Concession goods	14,000	13,033	967
Sales tax	2,200	1,525	675
Cost to be reimbursed	4,325	1,855	2,470
Miscellaneous	700	744	(44)
Total supplies and materials	56,626	43,437	13,189
Total Seafari Springs	248,195	196,610	51,585
Total expenditures	1,353,401	1,192,493	160,908
Revenues over expenditures	\$ 7,715	39,731	\$ 32,016
Fund balance, beginning of the year		207,147	
Fund balance, end of the year		\$ 246,878	

See accompanying notes.

**Hanover Park Park District
Centre Court Athletic Club Fund
Statement of Revenues, Expenditures and Changes in
Fund Deficit - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Athletic Club fees:			
Membership:			
Resident	\$ 68,700	\$ 66,202	\$ (2,498)
Nonresident	72,320	51,699	(20,621)
Corporate	4,600	3,483	(1,117)
Total membership	145,620	121,384	(24,236)
Court time:			
Tennis	209,766	152,065	(57,701)
Racquetball	654	763	109
Total court time	210,420	152,828	(57,592)
Guest fees	24,500	18,091	(6,409)
Tennis lessons	383,957	238,390	(145,567)
Equipment rental	5,210	2,271	(2,939)
Total Athletic Club fees	769,707	532,964	(236,743)
Pro shop:			
Merchandise	9,039	7,571	(1,468)
Racquet restringing	8,143	4,360	(3,783)
Total pro shop	17,182	11,931	(5,251)

(cont'd)

**Hanover Park Park District
Centre Court Athletic Club Fund
Statement of Revenues, Expenditures and Changes in
Fund Deficit - Budget and Actual (cont'd)
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues (cont'd):			
Vending	\$ 1,965	\$ 42	\$ (1,923)
Other:			
Rental fees	17,316	17,316	-
Massage therapy	11,128	2,012	(9,116)
Nursery	640	986	346
Other	3,800	5,698	1,898
Total other	32,884	26,012	(6,872)
Total revenues	821,738	570,949	(250,789)
Expenditures:			
Salaries and wages:			
Customer service supervisor	16,650	17,722	(1,072)
Director of tennis	54,600	52,462	2,138
Maintenance - full-time	36,135	35,190	945
Maintenance - part-time	23,636	20,763	2,873
Manager	72,459	71,052	1,407
Customer service staff	83,000	58,453	24,547
Instructors	66,655	35,033	31,622
Computer support	2,125	2,141	(16)
Marketing/sales/public information	11,313	11,191	122
Nursery attendant	855	1,793	(938)
Racquet restringing	2,987	1,866	1,121
Commissions	2,500	2,642	(142)
Tennis support	1,760	601	1,159
Fitness technician	-	(855)	855
Bookkeeper	-	(192)	192
Total salaries and wages	374,675	309,862	64,813

(cont'd)

**Hanover Park Park District
Centre Court Athletic Club Fund
Statement of Revenues, Expenditures and Changes in
Fund Deficit - Budget and Actual (cont'd)
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):			
Services:			
Contractual	\$ 78,460	\$ 50,598	\$ 27,862
Telephone	5,040	4,824	216
Natural gas	54,300	44,693	9,607
Water and sewer	8,200	7,467	733
Electricity	80,647	64,066	16,581
Printing	5,750	4,075	1,675
Postage	902	907	(5)
Health insurance	82,357	68,233	14,124
Membership dues	4,065	4,313	(248)
Conferences and workshops	750	475	275
Bank charges	23,500	20,858	2,642
Employee incentive program	1,949	1,470	479
Computer	16,690	8,599	8,091
Professional	11,550	8,550	3,000
Promotional advertising	1,950	476	1,474
Miscellaneous	3,760	775	2,985
Total services	379,870	290,379	89,491
Repairs and maintenance - miscellaneous repairs	500	388	112
Total repairs and maintenance	500	388	112
Supplies and materials:			
Uniforms	700	628	72
Office supplies	2,200	2,219	(19)
Computer supplies	1,855	53	1,802
Whirlpool supplies	1,500	526	974
Custodial supplies	7,116	3,940	3,176

(cont'd)

**Hanover Park Park District
Centre Court Athletic Club Fund
Statement of Revenues, Expenditures and Changes in
Fund Deficit - Budget and Actual (cont'd)
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):			
Supplies and materials (cont'd):			
Laundry supplies	\$ 760	\$ 578	\$ 182
Vending goods	1,200	623	577
Pro shop supplies	4,066	7,057	(2,991)
Awards	840	72	768
Program supplies	9,352	6,047	3,305
Safety supplies	670	637	33
Restraining supplies	2,389	1,976	413
Sales tax	1,069	781	288
Paint	1,200	-	1,200
Total supplies and materials	34,917	25,137	9,780
Total expenditures	789,962	625,766	164,196
Revenues over (under) expenditures	\$ 31,776	(54,817)	\$ (86,593)
Fund deficit, beginning of the year		(105,531)	
Fund deficit, end of the year		\$ (160,348)	

See independent auditor's report.

Hanover Park Park District Notes to the Financial Statements

I. Summary of Significant Accounting Policies

A. The Reporting Entity

The Hanover Park Park District, DuPage and Cook Counties, Illinois (Park 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, approved July 8, 1947, and all the laws amendatory thereto. The Park District is governed by an elected Board of five Park District commissioners. These financial statements present all the fund types of the Park District and its component units based on financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. Blended component units, although legally separate entities, are in substance, part of the Park District's operations. The Park District has no discretely presented component units.

Blended Component Unit – The Hanover Park Park Foundation (Foundation) was organized for charitable and educational purposes, and to account for the acquisition of land and the development, implementation, and funding of outdoor recreational/educational programs, and other similar purposes, which utilize land owned by the Hanover Park Park District. The Foundation's capital assets are included in capital assets on the statement of net position. The remaining activity associated with the Foundation is not considered significant to the Park District and has not been included in these financial statements.

A complete financial statement for the Foundation may be obtained from the Foundation's administrative office at the following address:

Hanover Park Park Foundation
1919 Walnut Street
Hanover Park, Illinois 60103

The accounting policies and financial statements of the Hanover Park Park District conform to accounting principles generally accepted in the United States of America, as applicable to governments. Following is a summary of the more significant policies.

B. 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 activities of the primary government. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the Park District's activities are considered governmental activities.

Hanover Park District
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

B. Government-wide and Fund Financial Statements (cont'd)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 as general revenues. Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. 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, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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 flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (when they are "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 pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures, and certain compensated absences and claims and judgments, which are recorded only when the payment is due.

Property taxes, recreational program fees, instruction fees, facility rental, and interest earned are susceptible to accrual. Replacement income tax collected and held by the state at year end on behalf of the Park District is also recognized as revenue. Other receipts become measurable and available when cash is received and are recognized at that time. The government reports the following major governmental funds:

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

Hanover Park Park District
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (cont'd)

Recreation Fund – The Recreation Fund is used to account for the proceeds derived from, and the related costs incurred, in connection with the recreational programs offered by the Park District.

Centre Court Athletic Club Fund – The Centre Court Athletic Club Fund is used to account for the proceeds derived from, and the related costs incurred, in connection with the operations of the Park District's tennis and fitness club.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

General Obligation Limited Tax Park Bonds – Series 2019A Capital Projects Fund – The Capital Projects Fund is used to account for the proceeds derived from the Series 2019A bond issue and their subsequent expenditure for capital purposes.

D. Assets (Deferred Outflows), Liabilities (Deferred Inflows) and Equity

1. Deposits and Investments

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

Statutes authorize the Park District to invest in the following:

- 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 United States of America or its agencies.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets (Deferred Outflows), Liabilities (Deferred Inflows) and Equity (cont'd)

1. Deposits and Investments (cont'd)

- Savings accounts, certificates of deposit, time accounts, or any other investment constituting direct obligations of a bank as defined by the Illinois Banking Act. Securities legally issuable by savings and loan associations incorporated under the laws of any state of the United States of America. Share accounts and share certificates of a credit union chartered under the laws of the state of Illinois or the United States of America, provided the principal office of the credit union is located within the state of Illinois. Short-term discount obligations of the Federal National Mortgage Association (FNMA). Investments may be made only in financial institutions which are insured by the Federal Deposit Insurance Corporation and other applicable law for credit unions.
- Short-term obligations (maturing within 180 days of dates of purchase) of corporations with assets exceeding five hundred million dollars (\$500,000,000). Such obligations must be rated, at the time of purchase, at one of the three highest classifications established by at least two standard rating services. This type of obligation is limited to one-third of the Park District's funds available for investment and cannot exceed 10% of the corporation's outstanding obligation.
- Money market mutual funds registered under the Investment Company Act of 1940 which invest only 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 and agrees to repurchase such obligations. In addition, the Park District may also invest in a fund managed, operated and administered by a bank.
- Repurchase agreements of government securities subject to The Government Securities Act of 1986.
- State of Illinois Funds and Illinois Trust.

Investments are stated at fair value. Investment income is allocated to the General Fund.

**Hanover Park District
Notes to the Financial Statements (cont'd)**

I. Summary of Significant Accounting Policies (cont'd)

D. Assets (Deferred Outflows), Liabilities (Deferred Inflows) and Equity (cont'd)

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds are offset by a fund balance reserve account, to indicate that they are not available for appropriation, and are not expendable available resources.

The Park District's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Taxes are due and collectible in varying amounts in March, June, August, and September of the following year. Property taxes attach as an enforceable lien on property as of January 1.

Property taxes are based on the assessed valuation of the Park District's real property as equalized by the state of Illinois. The equalized assessed valuation of real property totaled \$558,339,684 for the calendar year 2018.

Property tax receivables are shown net of allowances for doubtful amounts. The property tax receivable allowance is equal to 4.49% of the outstanding property taxes at year end.

3. Inventories

Inventories recorded under the consumption method are stated at cost, using the first-in, first-out (FIFO) method. A portion of governmental fund balance equal to the inventory balance is classified as nonspendable.

4. Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets, are reported in the government-wide financial statements. The Park District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend assets' lives, is not capitalized.

Hanover Park District
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets (Deferred Outflows), Liabilities (Deferred Inflows) and Equity (cont'd)

4. Capital Assets (cont'd)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of governmental activities is not capitalized.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 – 65 years
Buildings and improvements	7 – 40 years
Equipment, office furniture and fixtures	5 – 20 years
Vehicles	5 years

5. Compensated Absences

Accumulated unpaid vacation and other vested employee benefit amounts are accrued when earned by employees. All vacation pay is accrued when earned in the government-wide financial statements.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, and the deferred gain on an economic refunding, are deferred and amortized over the life of the bonds using a straight-line method that approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, and any premiums received 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 debt service expenditures.

**Hanover Park District
Notes to the Financial Statements (cont'd)**

I. Summary of Significant Accounting Policies (cont'd)

D. Assets (Deferred Outflows), Liabilities (Deferred Inflows) and Equity (cont'd)

7. Deferred Property Tax Revenue

Property tax revenues are recorded on the "deferred method." Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the county collector, approximately one-half of the property taxes levied during the current year are not "available" to finance the current year's expenditures. For those funds on the modified accrual basis of accounting, the current year's tax levy is recorded as property taxes receivable, and approximately one-half of such levy is recorded as deferred tax revenue.

8. Fund Equity

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- **Net investment in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net position** – Consists of net position with constraints placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** – consists of all other net position that does not meet the definition of restricted or invested in capital assets.

In the fund financial statements, governmental funds report fund balance as either nonspendable or spendable. Spendable fund balance is further classified as restricted, committed, assigned or unassigned, based on the relative strength of the constraints that control how specific amounts can be spent. The Park District's fund balances have the following restrictions, commitments and assignments:

Individual Fund Restrictions, Commitments and Assignments:

A portion of the following fund balance is considered nonspendable:

- A portion of the fund balance in the Centre Court Athletic Club Fund is considered nonspendable fund balance that is intended as an offset to inventory of \$1,523. A portion of the Recreation Fund's fund balance (\$987) is considered nonspendable fund balance that is intended as an offset to prepaid items.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets (Deferred Outflows), Liabilities (Deferred Inflows) and Equity (cont'd)

8. Fund Equity (cont'd)

Individual Fund Restrictions, Commitments and Assignments (cont'd):

- The Debt Service Fund and nonmajor special revenue funds are considered restricted, as the source of these fund balances are dedicated property tax levies. Also, the Non-Bond Capital Fund, a nonmajor capital projects fund, is considered restricted, as the source of the fund's balance is developer contributions that are restricted by law for the improvement of specific parks.
- All bond-funded Capital Projects (nonmajor) Funds are considered to be committed for capital projects as decreed by the passage of bond ordinances by the Board of Park Commissioners.
- The deficit balance in the Center Court Athletic Club Fund is considered to be unassigned. Also, the spendable fund balance in the General Fund is considered to be unassigned, as those funds are available for the general use of the Park District, including funding other fund deficits.
- When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Park District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Park District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

II. Budgetary Information

The combined budget and appropriation ordinance is prepared in tentative form by the Park Director and is made available by the Park Secretary for public inspection 30 days prior to final Board action. A public hearing is held on the tentative combined budget and appropriation ordinance to obtain taxpayer comments.

Prior to August 1, the appropriation ordinance, which is generally between fifteen and twenty percent (15-20%) greater than the operating budget, is legally enacted through the passage of a combined budget and appropriation ordinance. All actual expenditures contained herein have been compared to the annual operating budget, such that expenditures may exceed the budgeted amount shown but still be less than the appropriated amount.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

II. Budgetary Information (cont'd)

The Board of Park Commissioners may:

- Amend the budget and appropriation ordinance in the same manner as its original enactment.
- Transfer between items of any fund not exceeding in the aggregate ten percent (10%) of the total amount appropriated in such fund.
- After six months of the fiscal year, by two-thirds vote, transfer any appropriation item it anticipates to be unexpended to any other appropriation item.

All appropriations lapse at year end. There were no supplemental appropriations during the year. Management cannot amend the budget and appropriation ordinance.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis of anticipated revenues to be received in cash and expenditures to be incurred, which does not differ materially from accounting principles generally accepted in the United States of America.

All budgets and appropriations are prepared based on the annual fiscal year of the Park District. The Park District does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system, in accordance with various legal requirements which govern the Park District.

III. Stewardship, Compliance and Accountability

A. Deficit Fund Equity

The Centre Court Athletic Club Fund (Special Revenue Funds) had a deficit fund balance of \$160,348 at April 30, 2019. Funding of the deficit in the Centre Court Athletic Club Fund is expected to be provided from transfers from the General Fund and future Athletic Club fees.

IV. Detailed Notes For All Fund Types

A. Deposits and Investments

Cash and Investments – The Park District maintains cash on hand, cash deposits in financial institutions, and investment pools that are available for use by all funds. Each fund type's portion of these pools is displayed on the combined balance sheet as "equity in pooled cash and investments."

Deposits – At year end, the carrying amount of the Park District's deposits was \$1,397,844 and the bank balance was \$1,417,352, of which \$851,617 was uninsured. In addition, the Park District has cash on hand of \$200.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

IV. Detailed Notes For All Fund Types (cont'd)

A. Deposits and Investments (cont'd)

Investments – The Illinois Trust (Illinois Trust), formerly known as the Illinois Park District Liquid Asset Fund, is an external investment pool. Illinois Trust is not registered with the Securities and Exchange Commission as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. An annual report for Illinois Trust may be obtained at www.ipdlaf.org. In December 2015, the Government Accounting Standards Board issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The standard allows the Park District's investment in the Illinois Trust, which does not impose redemption gates or liquidity fees, to continue to be carried at its net asset value, which equals amortized cost. A reconciliation of cash and investments, as shown on the combined balance sheet for the primary government, follows:

Carrying amount of deposits	\$ 1,397,844
Cash on hand	200
Illinois Trust	<u>54,108</u>
Total	<u>\$ 1,452,152</u>

Interest Rate Risk – This is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its investment policy, the Park District manages its interest rate risk by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter term securities, money market mutual funds, or similar investment pools.

Credit Risk – Generally, credit risk is the risk that an issuer of a debt type instrument will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The Illinois Trust is rated AAAm.

Custodial Credit Risk – For deposits, this is the risk that, in the event of a bank failure, a government will not be able to recover its deposits. In accordance with its investment policy, all Park District deposits with financial institutions are fully insured or collateralized. For investments, this is the risk that in the event of the failure of the counterparty, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. It is the Park District's policy that investments in certificates of deposit are fully insured, and that other investments shall be collateralized by the actual security held in safekeeping by the agent.

Hanover Park District
Notes to the Financial Statements (cont'd)

IV. Detailed Notes For All Fund Types (cont'd)

B. Capital Assets

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

	Balance May 1, 2018	Additions	Transfers	Retirements	Balance April 30, 2019
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 3,764,457	\$ -	\$ -	\$ -	\$ 3,764,457
Construction in progress	-	5,684	-	-	5,684
Total capital assets not being depreciated	<u>3,764,457</u>	<u>5,684</u>	<u>-</u>	<u>-</u>	<u>3,770,141</u>
Capital assets, being depreciated:					
Land improvements	4,854,102	38,747	-	-	4,892,849
Buildings and improvements	16,284,167	35,503	-	-	16,319,670
Equipment, office furniture and fixtures	2,924,809	14,549	-	-	2,939,358
Vehicles	397,295	-	-	-	397,295
Total capital assets being depreciated	<u>24,460,373</u>	<u>88,799</u>	<u>-</u>	<u>-</u>	<u>24,549,172</u>
Less accumulated depreciation for:					
Land improvements	3,116,165	162,227	-	-	3,278,392
Buildings and constructed assets	10,806,654	409,159	-	-	11,215,813
Equipment, office furniture and fixtures	2,439,699	102,574	-	-	2,542,273
Vehicles	380,647	13,065	-	-	393,712
Total accumulated depreciation	<u>16,743,165</u>	<u>687,025</u>	<u>-</u>	<u>-</u>	<u>17,430,190</u>
Total capital assets being depreciated, net	<u>7,717,208</u>	<u>(598,226)</u>	<u>-</u>	<u>-</u>	<u>7,118,982</u>
Governmental activities' capital assets, net	<u>\$ 11,481,665</u>	<u>\$ (592,542)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,889,123</u>

Depreciation allocated to general government, culture and recreation, and Centre Court Athletic Club totaled \$459,657, \$130,441, and \$96,927, respectively.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

IV. Detailed Notes For All Fund Types (cont'd)

C. Interfund Receivables, Payables and Transfers

The following interfund receivables and payables as of April 30, 2019, are expected to be liquidated in the next year during the normal course of operations:

Receivable Fund	Payable Fund	Amount
Paving and Lighting	Police	\$ 18,000
Illinois Municipal Retirement	Liability Insurance	5,000
Social Security	Liability Insurance	15,000
Recreation	Centre Court Athletic Fund	49,000
Capital Projects (non-bond)	Centre Court Athletic Fund	24,000
Illinois Municipal Retirement	Centre Court Athletic Fund	23,000
Total all funds		\$ 134,000

Transfer between funds for the year ended April 30, 2019, consisted of:

Receiving Fund	Paying Fund	Amount
Debt Service (subfund)	Debt Service (subfund)	\$ 1,146
Total all funds		\$ 1,146

The transfer between Debt Service subfunds is to close out Debt Service subfunds for fully paid bond issues.

D. Long-term Debt, Other Noncurrent Liabilities, and Deferred Inflows of Resources

The Park District issues general obligation bonds and alternative revenue source bonds to finance the purchase of major capital items, and the acquisition or construction of major capital facilities. Bonded indebtedness has been entered into in prior years to advance refund several general obligation bonds. General obligation bonds and alternative revenue source bonds have been issued for general government activities, and are being repaid from applicable resources.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

IV. Detailed Notes For All Fund Types (cont'd)

D. Long-term Debt, Other Noncurrent Liabilities, and Deferred Inflows of Resources (cont'd)

A summary of changes in the debt commitments of the Park District for the year ended April 30, 2019, is as follows:

	Balance May 1, 2018	New Issues	Principal Paid and Amortization	Balance April 30, 2019	Due within One Year
Governmental Activities					
Noncurrent liabilities:					
General obligation bonds payable:					
Series 2011A (ARS)	\$ 2,450,000	\$ -	\$ 455,000	\$ 1,995,000	\$ 470,000
Series 2013	280,000	-	67,000	213,000	69,000
Series 2016	187,680	-	187,680	-	-
Series 2017	825,000	-	592,680	232,320	232,320
Series 2018	-	825,000	-	825,000	559,370
Series 2019A	-	450,000	-	450,000	-
Total general obligation bonds	3,742,680	1,275,000	1,302,360	3,715,320	1,330,690
Bond premiums	74,429	-	12,973	61,456	13,400
Net pension liability	596,841	*	*	1,601,053	*
Net OPEB liability	264,597	*	*	247,833	*
Total noncurrent liabilities	<u>\$ 4,678,547</u>	<u>\$ 1,275,000</u>	<u>\$ 1,315,333</u>	<u>\$ 5,625,662</u>	<u>\$ 1,344,090</u>
Deferred inflows of resources:					
Deferred economic gain on advance refunding	\$ 32,838	\$ -	\$ 7,100	\$ 25,738	\$ 7,100
Deferred pension amounts	717,480	*	*	64,402	*
Deferred OPEB amounts	-	*	*	5,822	*
Total deferred inflows	<u>\$ 750,318</u>	<u>\$ -</u>	<u>\$ 7,100</u>	<u>\$ 95,962</u>	<u>\$ 7,100</u>

*See Note V.D. and V.E. for details regarding net pension liability and deferred pension amounts, and net OPEB liability and deferred OPEB amounts, respectively.

On November 16, 2011, the Park District issued \$5,250,000 of General Obligation Bonds, Series 2011A (Alternate Revenue Source), with an average interest rate of 3.13%. The bonds consist of serial bonds bearing various fixed rates ranging from 2.0% to 4.0% with annual maturities due December 15 from 2011 to 2022. The bonds are subject to redemption prior to maturity at the option of the Park District in whole or in part on December 15, 2019, or on any date thereafter at par value plus accrued interest to the redemption date. The bonds were sold at a premium of \$149,686. The unamortized premium at April 30, 2019, is \$61,456. In part, the Series 2011A bonds were an advance refunding of previously issued bonds. The advance refunding was to reduce total debt payments over the following 12 years after issuance by approximately \$83,000. The transaction resulted in a deferred economic gain (difference between the present value of the debt service on the old and the new bonds) of \$78,693. At April 30, 2019, the unamortized deferred economic gain was \$25,738. The unamortized premium

Hanover Park Park District
Notes to the Financial Statements (cont'd)

IV. Detailed Notes For All Fund Types (cont'd)

D. Long-term Debt, Other Noncurrent Liabilities, and Deferred Inflows of Resources (cont'd)

is presented as a component of noncurrent liabilities. The unamortized deferred economic gain is a deferred inflow of resources on the statement of net position.

On July 11, 2013, the Park District issued \$500,000 of General Obligation Bonds, Series 2013, with interest rates increasing from 1.25% to 3.15% over the 8-year term of the bonds. Total proceeds received include \$485,500 to be used for the capital improvement of the Park District and the remaining \$14,500 to pay for the issuance costs of the bond. On November 12, 2013, the Park District also issued \$585,585 of General Obligation Bonds, Series 2013A, with an interest rate of 1.23%. Total proceeds received include \$18,066 to be used for the capital improvement of the Park District, \$551,650 to pay certain principal and interest due on the Park District's General Obligation Refunding Park Bond Series 2011A, and the remaining \$15,869 to pay for the issuance costs of the bond.

On November 7, 2016, the Park District issued \$850,000 of General Obligation Bonds, Series 2016, with an interest rate of 2.25%. Total proceeds received include \$275,050 to be used for capital improvement of the Park District, \$554,850 to pay certain principal and interest due on the Park District's General Obligation Refunding Park Bond Series 2011A, and the remaining \$20,100 to pay for the issuance costs of the bond.

On November 13, 2017, the Park District issued \$825,000 of General Obligation Bonds, Series 2017, with an interest rate of 2.49%. Total proceeds received include \$253,450 to be used for capital improvement of the Park District, \$551,800 to pay certain principal and interest due on the Park District's General Obligation Refunding Park Bond Series 2011A, and the remaining \$19,750 to pay for the issuance costs of the bond.

On November 5, 2018, the Park District issued \$825,000 of General Obligation Bonds, Series 2018, with an interest rate of 3.00%. Total proceeds received include \$262,400 to be used for capital improvement of the Park District, \$548,450 to pay certain principal and interest due on the Park District's General Obligation Refunding Park Bond Series 2011A, and the remaining \$14,150 to pay for the issuance costs of the bond.

On February 11, 2019, the Park District issued \$450,000 of General Obligation Bonds, Series 2018, with an interest rate of 3.00%. Total proceeds received of \$450,000 to be used for capital improvement of the Park District.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

IV. Detailed Notes For All Fund Types (cont'd)

D. Long-term Debt, Other Noncurrent Liabilities, and Deferred Inflows of Resources (cont'd)

The debt service to maturity on outstanding debt is as follows:

Year Ending April 30,	Principal	Interest	Total
2020	\$ 1,330,690	\$ 132,272	\$ 1,462,962
2021	826,630	89,077	915,707
2022	583,000	62,150	645,150
2023	580,000	36,750	616,750
2024	60,000	13,825	73,825
2025-2029	335,000	36,400	371,400
	<u>\$ 3,715,320</u>	<u>\$ 370,474</u>	<u>\$ 4,085,794</u>

V. Other Information

A. Risk Management – Property, Casualty and Liability

The Park District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses.

Since January 1, 1984, the Park District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a public entity risk pool of park and forest preserve districts, special recreation associations, and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. Property, general liability, automobile liability, crime, boiler and machinery, public officials' and employment practices liability, workers' compensation and pollution liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2019 to January 1, 2020:

**Hanover Park District
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

A. Risk Management – Property, Casualty and Liability (cont'd)

Coverage	Member Deductible	PDRMA Self-insured Retention	Limits
Property, building, contents: All losses per occurrence	\$ 1,000	\$ 1,000,000	\$1,000,000,000 all members
Flood/except Zones A&V	\$ 1,000	\$ 1,000,000	\$250,000,000/occurrence/ annual aggregate
Flood, Zones A&V	\$ 1,000	\$ 1,000,000	\$200,000,000/occurrence/ annual aggregate
Earthquake shock	\$ 1,000	\$ 100,000	\$100,000,000/occurrence/ annual aggregate
Auto physical damage comprehensive and collision	\$ 1,000	\$ 1,000,000	Included
Course of construction	\$ 1,000	Included	\$25,000,000
Business interruption, rental income, tax income combined	\$ 1,000		\$100,000,000/reported values \$500,000/\$2,500,000/ nonreported values
Service interruption	24 hours	N/A	\$25,000,000 other sub-limits apply – refer to coverage document
Boiler and machinery, property damage	\$ 1,000	\$ 9,000	\$100,000,000 equipment breakdown
Business income	48 hours	N/A	Property damage included, other sub-limits apply – refer to coverage document
Fidelity/crime	\$ 1,000	\$ 24,000	\$2,000,000/occurrence
Seasonal employees	\$ 1,000	\$ 9,000	\$1,000,000/occurrence
Blanket bond	\$ 1,000	\$ 24,000	\$2,000,000/occurrence

Hanover Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

A. Risk Management – Property, Casualty and Liability (cont'd)

Coverage	Member Deductible	PDRMA Self-insured Retention	Limits
Workers' compensation	N/A	\$ 500,000	Statutory; \$3,500,000 employer's liability
General liability	None	\$ 500,000	\$21,500,000/ occurrence
Auto liability	None	\$ 500,000	\$21,500,000/ occurrence
Employment practices	None	\$ 500,000	\$21,500,000/ occurrence
Public officials' liability	None	\$ 500,000	\$21,500,000/ occurrence
Law enforcement liability	None	\$ 500,000	\$21,500,000/ occurrence
Uninsured/underinsured motorist	None	\$ 500,000	\$1,000,000 per occurrence
Pollution liability – liability, third party	None	\$ 25,000	\$5,000,000 per occurrence
Pollution liability – property, first party	\$ 1,000	\$ 24,000	\$30,000,000 3 year aggregate
Outbreak expense	24 hours	N/A	\$15,000 per day; \$1,000,000 aggregate

Hanover Park Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

A. Risk Management – Property, Casualty and Liability (cont'd)

Coverage	Member Deductible	PDRMA Self-insured Retention	Limits
Information security & privacy liability	None	\$ 100,000	\$2,000,000/ occurrence /annual aggregate
Privacy notification costs	None	\$ 100,000	\$500,000/ occurrence /annual aggregate
Regulatory defense & penalties	None	\$ 100,000	\$2,000,000/ occurrence /annual aggregate
Website media content liability	None	\$ 100,000	\$2,000,000/ occurrence /annual aggregate
Cyber extortion	None	\$ 100,000	\$2,000,000/ occurrence /annual aggregate
Data protection & business interruption	\$ 1,000	\$ 100,000	\$2,000,000/ occurrence /annual aggregate
First party business interruption	8 hours	\$ 100,000	\$50,000 hourly sublimit/\$50,000 forensic expense/\$150,000 dependent business interruption
Volunteer medical accident	None	\$ 5,000	\$5,000 medical expense and AD&D excess of any other collectible insurance
Underground storage tank liability	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund
Unemployment compensation	N/A	N/A	Statutory

Hanover Park Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

A. Risk Management – Property, Casualty and Liability (cont'd)

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Park District. Losses have not exceeded the per occurrence self-insured limit in any of the last three years.

As a member of PDRMA's Property/Casualty Program, the Park 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 Park District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Park District's Board of Park Commissioners. The Park District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, 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.

The following represents a summary of PDRMA's Property/Casualty Program's balance sheet at December 31, 2018, and the statement of revenues and expenses for the period ended December 31, 2018, the latest financials available at the time of this report. The Park District's portion of the overall equity of the pool is 0.681%, or \$329,977.

Assets	\$ 64,598,180
Deferred outflows of resources – Pension	735,579
Liabilities	20,358,043
Deferred inflows of resources – Pension	1,157,368
Total net position	43,818,350
Revenues	18,891,688
Expenditures	18,647,660

Since 98.39% 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. A complete financial statement for the Agency can be obtained from the Agency's administrative offices at Post Office Box 4320, Wheaton, Illinois 60189.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

B. Risk Management – Health Care

Since July 1, 1996, the Park District has been a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance pool of park districts, special recreational 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.

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

As a member of the PDRMA Health Program, the Park 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 a 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 any surplus of the pool, based on a decision of the Health Program Council.

The following represents a summary of PDRMA's Health Program's balance sheet at December 31, 2018, and the statement of revenues and expenses for the year ended December 31, 2018, the latest financials available at the time of this report.

Assets	\$ 22,903,252
Deferred outflows of resources – Pension	427,851
Liabilities	5,148,899
Deferred inflows of resources – Pension	(5,600)
Total net position	18,187,802
Revenues	37,577,537
Expenditures	35,295,144

A large percentage of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred.

A complete financial statement for the Agency can be obtained from the Agency's administrative offices at Post Office Box 4320, Wheaton, Illinois 60189.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

C. Joint Ventures, Jointly Governed Organizations and Related Organizations

Joint Venture – The Park District is one of seventeen area park districts that have entered into a joint agreement to provide cooperative recreational programs and other activities for handicapped and impaired individuals through the Northwest Special Recreation Association. Each member agency shares equally in the Association, and generally provides funding based on up to 0.0400 cents per \$100 of its equalized assessed valuation. The Park District contributed \$144,031 to the Association during the current fiscal year. The Park District does not have a direct financial interest in the Association and, therefore, its investment therein is not reported within the financial statements. Upon dissolution of the Association, the assets, if any, shall be divided among the members in accordance with an equitable formula, as determined by a unanimous vote of the Board of Directors of the Association.

A complete separate financial statement for the Association can be obtained from the Northwest Special Recreation Association's administrative offices at Park Central, Suite 205, 3000 West Central Road, Rolling Meadows, Illinois 60008.

D. Employee Retirement System – Defined Benefit Pension Plan

General Information about the Pension Plan:

Plan Description – The Park District's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), provides pensions for all full-time employees of the Park District. IMRF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

At December 31, 2018, the IMRF Plan membership consisted of:

Retirees and beneficiaries	34
Inactive, non-retired members	43
Active members	<u>27</u>
Total	<u>104</u>

**Hanover Park District
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

D. Employee Retirement System – Defined Pension Plan (cont'd)

General Information about the Pension Plan (cont'd):

Benefits Provided – IMRF provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011, who retire at or after age 60 with 8 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent of each year thereafter. For participating members hired on or after January 1, 2011, who retire at or after age 67 with 10 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$113,645 at January 1, 2018, and \$114,952 at January 1, 2019. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

Contributions and Funding Policy – Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Park District is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar years 2019 and 2018 was 12.60 and 14.48 percent, respectively, of annual covered payroll. The Park District's contribution to the Plan totaled \$135,120 for the fiscal year ended April 30, 2019, which was equal to its annual required contribution.

Net Pension Liability:

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

**Hanover Park District
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

D. Employee Retirement System – Defined Pension Plan (cont'd)

Net Pension Liability (cont'd):

Actuarial Valuation and Assumptions – The actuarial assumptions used in the December 31, 2018, valuation were based on an actuarial experience study for the period January 1, 2014 – December 31, 2016, using the entry age normal actuarial cost method. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	3.39% to 14.25%
Investment rate of return	7.25%
Post-retirement benefit increase:	
Tier 1	3.0%-simple
Tier 2	Lesser of 3.0%-simple or ½ increase in CPI

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period subject to a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2018, was 25 years.

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

**Hanover Park District
Notes to the Financial Statements (cont'd)**

V. Other Information (cont'd)

D. Employee Retirement System – Defined Pension Plan (cont'd)

Net Pension Liability (cont'd):

Long-term Expected Rate of Return – The long-term expected rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio, using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	37%	7.15%
International Equities	18%	7.25%
Fixed Income	28%	3.75%
Real Estate	9%	6.25%
Alternatives:	7%	
Private Equity		8.50%
Hedge Funds		5.50%
Commodities		3.20%
Cash Equivalents	1%	2.50%

Single Discount Rate – Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects: (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.71%, and the resulting single discount rate used to measure the total pension liability is 7.25%.

Based on the assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for the next 99 years.

Hanover Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

D. Employee Retirement System – Defined Pension Plan (cont'd)

Net Pension Liability (cont'd):

Discount Rate Sensitivity – The following presents the net pension liability of the Park District, calculated using the discount rate of 7.25%, as well as what the Park District's net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset) Liability	\$ 2,706,782	\$ 1,601,053	\$ 694,194

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balance 12/31/17	\$ 8,123,147	\$ 7,526,306	\$ 596,841
Changes for the year:			
Service cost	99,844	-	99,844
Interest	597,931	-	597,931
Differences between expected and actual experience	(9,975)	-	(9,975)
Changes in assumptions	243,274	-	243,274
Contributions - employer	-	147,205	(147,205)
Contributions - employee	-	45,747	(45,747)
Net investment income	-	(434,484)	434,484
Benefit payments, including refunds of employee contributions	(401,305)	(401,305)	-
Other changes	-	168,394	(168,394)
Net changes	529,769	(474,443)	1,004,212
Balances at 12/31/18	\$ 8,652,916	\$ 7,051,863	\$ 1,601,053

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

D. Employee Retirement System – Defined Pension Plan (cont'd)

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

For the year ended April 30, 2019, the Park District recognized pension expense of \$175,544 in the government-wide financial statements. At April 30, 2019, the Park District reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 17,233	\$ 6,048	\$ 11,185
Changes in assumptions	147,504	58,354	89,150
Net difference between projected and actual earnings in pension plan investments	484,095	-	484,095
Subtotal	\$ 648,832	\$ 64,402	\$ 584,430
Contributions made subsequent to measurement date	35,120	-	35,120
Total	\$ 683,952	\$ 64,402	\$ 619,550

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

Year Ending December 31,

2019	\$ 207,541
2020	118,560
2021	58,839
2022	199,490
Total	\$ 584,430

There investment rate of return assumption was changed from 7.50% to 7.25% for the year ended April 30, 2019.

Hanover Park Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

E. Other Post-Employment Benefits

Plan Descriptions, Provisions and Funding Policies

The Park District provides post-employment health care benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Park District and can be amended by the Park District through its personnel manual. The plan is not accounted for as a trust fund as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Park District's General Fund. To be eligible for benefits, an employee must qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Park District's health plan. The benefit levels are the same as those afforded to active employees. Benefits include medical, prescription drug, dental and vision options offered through the PDRMA health plan. Coverage ends at 65 for disabled employees or once eligible for Medicare for retired employees. At September 30, 2018, date of actuarial valuation, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	3
Active plan members	<u>16</u>
Total	<u>19</u>

Funding Policy – Retirees and defendants may continue coverage under the Park District's group health program by contributing a monthly premium. They may participate in any plans offered to active employees. Retirees and defendants are required to pay 100% of the blended average employee cost. Premiums are the same for active and retired employees. The Park District pays the difference between the actuarial cost of the health coverage for retirees and the employee group cost. There is no formal funding policy that exists for the OPEB plan as the total OPEB liabilities are currently an unfunded obligation.

Hanover Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

E. Other Post-Employment Benefits (cont'd)

Net OPEB Liability – The Park District's net OPEB liability was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Total OPEB liability	\$ 247,833
Plan fiduciary net position	<u>-</u>
Net OPEB liability	<u>\$ 247,833</u>

Retiree Lapse Rates – Current retirees were assumed to continue their current plan elections.

Election at Retirement – 40% of active employees are assumed to elect coverage at retirement.

Marital Status – Of those future retirees who are assumed to elect to continue their coverage at retirement, 50% of the males and 40% of the females were assumed to have an eligible spouse who also opts for health coverage at that time.

Actuarial Valuation and Assumptions – The total OPEB liability was determined by an actuarial valuation as of September 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary increases	3.39% - 10.35%
Discount rate	4.18%
Inflation rate	2.50%
Investment rate of return	4.10%

The health care trend rate is 7.00% for medical graded to 4.50% over seventeen years, and 9.00% for prescription drug graded to 4.50% over eighteen years. The mortality rates for healthy individuals were based on the Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected generationally from 2015 using Scale MP-2017. The mortality rates for disabled individuals were based on the Headcount-Weighted RP-2014 Disabled Retirement Mortality Table projected generationally from 2015 using Scale MP-2017.

Discount Rate – The discount rate used to measure the total OPEB liability is based on the ability of the fund to meet benefit obligations in the future. Because the Park District does not have a dedicated trust to pay retiree healthcare benefits, the discount rate used should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. A discount rate of 4.18% is used, based upon the General Obligation Municipal Bond Rate as of September 30, 2018.

Hanover Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

E. Other Post-Employment Benefits (cont'd)

Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
Balance 9/30/17	\$ 264,597	\$ -	\$ 264,597
Changes for the year:			
Service cost	6,026	-	6,026
Interest	9,385	-	9,385
Differences between expected and actual experience	-	-	-
Changes in assumptions	(6,588)	-	(6,588)
Contributions – employer	-	25,587	(25,587)
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(25,587)	(25,587)	-
Other changes	-	-	-
Net changes	(16,764)	-	(16,764)
Balances at 9/30/18	\$ 247,833	\$ -	\$ 247,833

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Park District, calculated using the discount rate of 4.18%, as well as what the Park District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (3.18%)	Current Discount Rate (4.18%)	1% Increase (5.18%)
Net OPEB Liability	\$ 260,153	\$ 247,833	\$ 236,077

Hanover Park Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

E. Other Post-Employment Benefits (cont'd)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates –

The following presents the net OPEB liability of the Park District, as well as what the Park District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or lower than the current rate:

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 233,314	\$ 247,833	\$ 264,152

OPEB Expense and Deferred Outflows of Resources and Inflows of Resources Related to OPEB – For the year ended April 30, 2019, the Park District recognized OPEB expense of \$14,645. At April 30, 2019, the Park District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -
Assumption changes	-	5,822	(5,822)
Net difference between projected and actual earnings on pension plan investments	-	-	-
Total	\$ -	\$ 5,822	\$ (5,822)

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

Year Ending April 30,

2020	\$ (766)
2021	(766)
2022	(766)
2023	(766)
2024	(766)
Thereafter	(1,992)
Total	\$ (5,822)

Hanover Park Park District
Notes to the Financial Statements (cont'd)

V. Other Information (cont'd)

F. Deferred Compensation Plan

The Park District offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all Park District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All funds are held in trust and administered by an outside third-party trustee for the exclusive benefit of participants and their beneficiaries. The Park District is not required to make a contribution to the plan.

G. Change in Accounting Principle

The Park District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. The Park District recorded an adjustment to beginning net position on the statement of activities, reducing the amount previously reported by \$264,597.

REQUIRED SUPPLEMENTARY INFORMATION

**Hanover Park Park District
Illinois Municipal Retirement Fund
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Calendar Years**

	2018
Total pension liability:	
Service cost	\$ 99,844
Interest on the total pension liability	597,931
Benefit changes	-
Difference between expected and actual changes	(9,975)
Assumption changes	243,274
Benefit payments and refunds	<u>(401,305)</u>
Net change in total pension liability	529,769
Total pension liability - beginning	<u>8,123,147</u>
Total pension liability - ending	<u>\$ 8,652,916</u>
Plan fiduciary net position:	
Employer contributions	\$ 147,205
Employee contributions	45,747
Pension plan net investment income	(434,484)
Benefit payments and refunds	(401,305)
Other	<u>168,394</u>
Net change in plan fiduciary net position	(474,443)
Plan fiduciary net position - beginning	<u>7,526,306</u>
Plan fiduciary net position - ending	<u>\$ 7,051,863</u>
Net pension liability	<u>\$ 1,601,053</u>
Plan fiduciary net position as a percentage of total pension liability	<u>81.50%</u>
Covered valuation payroll	<u>\$ 1,016,608</u>
Net pension liability as a percentage of covered valuation payroll	<u>157.49%</u>

Note: The Park District adopted GASB 68 in fiscal year 2016 and will build a ten-year history prospectively.

See independent auditor's report.

2017	2016	2015
\$ 108,337	\$ 133,361	\$ 121,802
589,618	547,401	514,880
-	-	-
51,864	253,979	91,615
(238,356)	(19,381)	9,253
(391,452)	(327,470)	(271,260)
120,011	587,890	466,290
8,003,136	7,415,246	6,948,956
<u>\$ 8,123,147</u>	<u>\$ 8,003,136</u>	<u>\$ 7,415,246</u>
\$ 125,201	\$ 142,039	\$ 168,482
47,266	51,097	56,665
1,192,136	421,178	31,309
(391,452)	(327,470)	(271,260)
(149,453)	118,318	27,435
823,698	405,162	12,631
6,702,608	6,297,446	6,284,815
<u>\$ 7,526,306</u>	<u>\$ 6,702,608</u>	<u>\$ 6,297,446</u>
<u>\$ 596,841</u>	<u>\$ 1,300,528</u>	<u>\$ 1,117,800</u>
<u>92.65%</u>	<u>83.75%</u>	<u>84.93%</u>
<u>\$ 1,050,347</u>	<u>\$ 1,117,528</u>	<u>\$ 1,259,210</u>
<u>56.82%</u>	<u>116.38%</u>	<u>88.77%</u>

**Hanover Park Park District
Illinois Municipal Retirement Fund
Multiyear Schedule of Contributions
Last Ten Fiscal Years**

Fiscal Year Ended April 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2019	\$ 135,120	\$ 135,120	\$ -	\$ 990,002	13.65 %
2018	133,928	133,928	-	1,053,547	12.71
2017	132,073	132,073	-	1,059,179	12.47
2016	160,804	160,804	-	1,220,911	13.17

Note: The Park District adopted GASB 68 in fiscal year 2016 and will build a ten-year history prospectively.

See independent auditor's report.

**Hanover Park District
Notes to Required Supplementary Information**

1. IMRF Actuarial Assumptions

The actuarial assumptions used in determining the 2018 contribution rate in the actuarial report as of December 31, 2018, are as follows:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % of Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Inflation	2.75%
Salary Increases	3.75% to 14.50% Including Inflation
Investment Rate of Return	7.5%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study for the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

There were no benefit changes during the year.

Hanover Park District
Multiyear Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Calendar Years

	<u>2018</u>
Total pension liability:	
Service cost	\$ 6,026
Interest on the total pension liability	9,385
Benefit changes	-
Difference between expected and actual changes	-
Assumption changes	(6,588)
Benefit payments and refunds	<u>(25,587)</u>
Net change in total pension liability	(16,764)
Total pension liability - beginning	<u>264,597</u>
Total pension liability - ending	<u>\$ 247,833</u>
Plan fiduciary net position:	
Employer contributions	\$ 25,587
Employee contributions	-
Pension plan net investment income	-
Benefit payments and refunds	(25,587)
Other	<u>-</u>
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	<u>-</u>
Plan fiduciary net position - ending	<u>\$ -</u>
Net OPEB liability	<u>\$ 247,833</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>0.00%</u>
Covered valuation payroll	<u>\$ 807,579</u>
Net pension liability as a percentage of covered valuation payroll	<u>30.69%</u>

Note: The Park District adopted GASB 68 in fiscal year 2016 and will build a ten-year history prospectively.

See independent auditor's report.

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NONMAJOR GOVERNMENTAL FUNDS

**Hanover Park Park District
Nonmajor Governmental Funds
Combining Balance Sheet
April 30, 2019**

	<u>Total</u>	<u>Liability Insurance</u>	<u>Illinois Municipal Retirement</u>
Assets			
Equity in pooled cash and investments	\$ 404,323	\$ 3,554	\$ 12,398
Receivables:			
Property taxes, net of allowance for uncollectible amounts	630,333	127,281	105,805
Due from other funds	85,000	-	28,000
Accounts receivable	-	-	-
Total assets	<u>\$ 1,119,656</u>	<u>\$ 130,835</u>	<u>\$ 146,203</u>
Liabilities			
Accounts payable	\$ 4,417	\$ 1,007	\$ -
Accrued liabilities	21,910	2,778	7,809
Due to other funds	38,000	20,000	-
Total liabilities	<u>64,327</u>	<u>23,785</u>	<u>7,809</u>
Deferred Inflows of Resources			
Property taxes	408,639	82,629	69,098
Total liabilities and deferred inflows of resources	<u>472,966</u>	<u>106,414</u>	<u>76,907</u>
Fund Balances			
Restricted for:			
Special recreation programs	78,993	-	-
Other purposes	244,526	24,421	69,296
Capital outlay	68,874	-	-
Committed for capital outlay	254,297	-	-
Total fund balances	<u>646,690</u>	<u>24,421</u>	<u>69,296</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,119,656</u>	<u>\$ 130,835</u>	<u>\$ 146,203</u>

See independent auditor's report.

<u>Social Security</u>	<u>Audit</u>	<u>Paving and Lighting</u>	<u>Special Recreation</u>	<u>Museums and Aquariums</u>	<u>Police</u>	<u>Capital Projects</u>
\$ 1,282	\$ 7,015	\$ 36,112	\$ 25,705	\$ 5,991	\$ 13,095	\$ 299,171
88,302	12,711	21,398	157,641	60,867	56,328	-
15,000	-	18,000	-	-	-	24,000
-	-	-	-	-	-	-
<u>\$ 104,584</u>	<u>\$ 19,726</u>	<u>\$ 75,510</u>	<u>\$ 183,346</u>	<u>\$ 66,858</u>	<u>\$ 69,423</u>	<u>\$ 323,171</u>
\$ -	\$ -	\$ -	\$ 1,144	\$ 1,140	\$ 1,126	\$ -
4,741	-	-	619	2,971	2,992	-
-	-	-	-	-	18,000	-
<u>4,741</u>	<u>-</u>	<u>-</u>	<u>1,763</u>	<u>4,111</u>	<u>22,118</u>	<u>-</u>
56,922	8,151	13,345	102,590	39,407	36,497	-
<u>61,663</u>	<u>8,151</u>	<u>13,345</u>	<u>104,353</u>	<u>43,518</u>	<u>58,615</u>	<u>-</u>
-	-	-	78,993	-	-	-
42,921	11,575	62,165	-	23,340	10,808	-
-	-	-	-	-	-	68,874
-	-	-	-	-	-	254,297
<u>42,921</u>	<u>11,575</u>	<u>62,165</u>	<u>78,993</u>	<u>23,340</u>	<u>10,808</u>	<u>323,171</u>
<u>\$ 104,584</u>	<u>\$ 19,726</u>	<u>\$ 75,510</u>	<u>\$ 183,346</u>	<u>\$ 66,858</u>	<u>\$ 69,423</u>	<u>\$ 323,171</u>

**Hanover Park Park District
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended April 30, 2019**

	<u>Total</u>	<u>Liability Insurance</u>	<u>Illinois Municipal Retirement</u>
Revenues:			
Property taxes	\$ 789,964	\$ 155,218	\$ 138,156
Grants and donations	-	-	-
Interest earned	1,055	-	-
Other	67,392	3,300	-
Total revenues	<u>858,411</u>	<u>158,518</u>	<u>138,156</u>
Expenditures:			
Current:			
Salaries and wages	154,521	39,666	-
Services	648,253	104,310	135,120
Repairs and maintenance	143,547	-	-
Supplies and materials	15,182	-	-
Capital expenditures	65,134	-	-
Total expenditures	<u>1,026,637</u>	<u>143,976</u>	<u>135,120</u>
Revenues over (under) expenditures before other financing sources	(168,226)	14,542	3,036
Other financing sources:			
Bonds issued	276,550	-	-
Net changes in fund balances	108,324	14,542	3,036
Fund balances, beginning of the year	<u>538,366</u>	<u>9,879</u>	<u>66,260</u>
Fund balances, end of the year	<u>\$ 646,690</u>	<u>\$ 24,421</u>	<u>\$ 69,296</u>

See independent auditor's report.

<u>Social Security</u>	<u>Audit</u>	<u>Paving and Lighting</u>	<u>Special Recreation</u>	<u>Museums and Aquariums</u>	<u>Police</u>	<u>Capital Projects Funds</u>
\$ 108,754	\$ 16,253	\$ 24,302	\$ 198,220	\$ 77,392	\$ 71,669	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	1,055
-	-	-	-	-	-	64,092
<u>108,754</u>	<u>16,253</u>	<u>24,302</u>	<u>198,220</u>	<u>77,392</u>	<u>71,669</u>	<u>65,147</u>
-	-	(202)	13,077	53,671	48,309	-
107,767	15,500	-	178,500	14,944	5,562	86,550
-	-	-	-	-	-	143,547
-	-	6,610	-	-	8,572	-
-	-	-	-	-	-	65,134
<u>107,767</u>	<u>15,500</u>	<u>6,408</u>	<u>191,577</u>	<u>68,615</u>	<u>62,443</u>	<u>295,231</u>
987	753	17,894	6,643	8,777	9,226	(230,084)
-	-	-	-	-	-	276,550
987	753	17,894	6,643	8,777	9,226	46,466
41,934	10,822	44,271	72,350	14,563	1,582	276,705
<u>\$ 42,921</u>	<u>\$ 11,575</u>	<u>\$ 62,165</u>	<u>\$ 78,993</u>	<u>\$ 23,340</u>	<u>\$ 10,808</u>	<u>\$ 323,171</u>

**Hanover Park Park District
Liability Insurance Reserve Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 152,574	\$ 157,384	\$ 4,810
Adjustment to prior year's taxes	-	(2,166)	(2,166)
Total property taxes	152,574	155,218	2,644
Other:			
PDRMA recovery	-	1,500	1,500
Aquatic audit reimbursement	2,550	1,800	(750)
Total other	2,550	3,300	750
Total revenues	155,124	158,518	3,394
Expenditures:			
Salaries and wages:			
Administrative	5,954	5,581	373
Risk management - full-time	20,301	25,667	(5,366)
Risk management - part-time	7,758	8,418	(660)
Total salaries and wages	34,013	39,666	(5,653)
Services:			
Property insurance	26,179	27,209	(1,030)
Employee incentive program	4,313	2,920	1,393
Liability insurance	12,752	12,741	11
Workers' compensation	22,724	22,665	59
Unemployment insurance	8,000	-	8,000
Health insurance	13,728	11,235	2,493
Employment practices	4,391	4,357	34
Hazardous waste disposal	1,500	-	1,500
Employee safety training	6,350	3,645	2,705
Life safety services	21,310	16,466	4,844
Employment physicals	300	281	19
Background testing	3,170	1,598	1,572

(cont'd)

Hanover Park Park District
Liability Insurance Reserve Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Expenditures (cont'd):			
Services (cont'd):			
Pollution liability	\$ 779	\$ 780	\$ (1)
Miscellaneous	2,615	413	2,202
Total services	128,111	104,310	23,801
Total expenditures	162,124	143,976	18,148
Revenues over (under) expenditures	\$ (7,000)	14,542	\$ 21,542
Fund balance, beginning of the year		9,879	
Fund balance, end of the year		\$ 24,421	

See independent auditor's report.

**Hanover Park Park District
Illinois Municipal Retirement Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 144,585	\$ 140,238	\$ (4,347)
Adjustment to prior year's taxes	-	(2,082)	(2,082)
Total revenues	144,585	138,156	(6,429)
Expenditures - employer IMRF contributions	159,350	135,120	24,230
Revenues over (under) expenditures	\$ (14,765)	3,036	\$ 17,801
Fund balance, beginning of the year		66,260	
Fund balance, end of the year		\$ 69,296	

See independent auditor's report.

**Hanover Park Park District
Social Security Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 109,114	\$ 110,344	\$ 1,230
Adjustment to prior year's taxes	-	(1,590)	(1,590)
Total revenues	109,114	108,754	(360)
Expenditures - employer FICA contributions	137,700	107,767	29,933
Revenues over (under) expenditures	\$ (28,586)	987	\$ 29,573
Fund balance, beginning of the year		41,934	
Fund balance, end of the year		\$ 42,921	

See independent auditor's report.

Hanover Park Park District
Audit Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 16,602	\$ 16,475	\$ (127)
Adjustment to prior year's taxes	-	(222)	(222)
Total revenues	<u>16,602</u>	<u>16,253</u>	<u>(349)</u>
Expenditures:			
Services - audit	<u>16,744</u>	<u>15,500</u>	<u>1,244</u>
Total expenditures	<u>16,744</u>	<u>15,500</u>	<u>1,244</u>
Revenues over (under) expenditures	<u>\$ (142)</u>	<u>753</u>	<u>\$ 895</u>
Fund balance, beginning of the year		<u>10,822</u>	
Fund balance, end of the year		<u>\$ 11,575</u>	

See independent auditor's report.

**Hanover Park Park District
Paving and Lighting Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 22,447	\$ 24,577	\$ 2,130
Adjustment to prior year's taxes	-	(275)	(275)
Total revenues	22,447	24,302	1,855
Expenditures:			
Salaries and wages	-	(202)	202
Services	18,500	-	18,500
Supplies and materials	22,500	6,610	15,890
Total expenditures	41,000	6,408	34,592
Revenues over (under) expenditures	\$ (18,553)	17,894	\$ 36,447
Fund balance, beginning of the year		44,271	
Fund balance, end of the year		\$ 62,165	

See independent auditor's report.

**Hanover Park Park District
Special Recreation Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 201,055	\$ 201,054	\$ (1)
Adjustment to prior year's taxes	-	(2,834)	(2,834)
Total revenues	<u>201,055</u>	<u>198,220</u>	<u>(2,835)</u>
Expenditures:			
Salaries - part-time maintenance	14,991	13,077	1,914
Services - professional services	1,715	1,508	207
Services:			
Natural gas	6,300	4,153	2,147
Water and sewer	2,500	1,709	791
Northwest Special Recreation Association	170,030	144,031	25,999
Americans With Disabilities Act compliance	<u>50,000</u>	<u>27,099</u>	<u>22,901</u>
Total expenditures	<u>245,536</u>	<u>191,577</u>	<u>53,959</u>
Revenues over (under) expenditures	<u>\$ (44,481)</u>	<u>6,643</u>	<u>\$ 51,124</u>
Fund balance, beginning of the year		<u>72,350</u>	
Fund balance, end of the year		<u>\$ 78,993</u>	

See independent auditor's report.

**Hanover Park Park District
Museums and Aquariums Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 79,676	\$ 78,509	\$ (1,167)
Adjustment to prior year's taxes	-	(1,117)	(1,117)
Total revenues	<u>79,676</u>	<u>77,392</u>	<u>(2,284)</u>
Expenditures:			
Salaries:			
Administrative	-	(1,064)	1,064
Assistant manager	5,049	5,524	(475)
Maintenance - part-time	32,262	26,471	5,791
Marketing/sales/public information	6,788	6,748	40
Recreation coordinators/program leaders	16,036	15,992	44
Total salaries	<u>60,135</u>	<u>53,671</u>	<u>6,464</u>
Services:			
Electricity	4,800	3,662	1,138
Health insurance	13,786	11,282	2,504
Total services	<u>18,586</u>	<u>14,944</u>	<u>3,642</u>
Total expenditures	<u>78,721</u>	<u>68,615</u>	<u>10,106</u>
Revenues over expenditures	<u>\$ 955</u>	<u>8,777</u>	<u>\$ 7,822</u>
Fund balance, beginning of the year		<u>14,563</u>	
Fund balance, end of the year		<u>\$ 23,340</u>	

See independent auditor's report.

**Hanover Park District
Police Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 73,483	\$ 72,721	\$ (762)
Adjustment to prior year's taxes	-	(1,052)	(1,052)
Total revenues	73,483	71,669	(1,814)
Expenditures:			
Salaries:			
Administrative	12,255	6,981	5,274
Security:			
Building	33,150	33,741	(591)
Park rangers	9,460	7,587	1,873
Total salaries	54,865	48,309	6,556
Services:			
Telephone	1,800	1,950	(150)
Conferences and workshops	2,455	-	2,455
Health insurance	4,413	3,612	801
Miscellaneous	200	-	200
Total services	8,868	5,562	3,306
Supplies and materials:			
Uniforms	750	172	578
Gasoline	8,400	8,400	-
Supplies	500	-	500
Expendable equipment	100	-	100
Total supplies and materials	9,750	8,572	1,178
Total expenditures	73,483	62,443	11,040
Revenues over expenditures	\$ -	9,226	\$ 9,226
Fund balance, beginning of the year		1,582	
Fund balance, end of the year		\$ 10,808	

See independent auditor's report.

OTHER FINANCIAL SCHEDULES

**Hanover Park Park District
Nonmajor Capital Projects Funds
Combining Balance Sheet
April 30, 2019**

	<u>Total</u>	<u>Non-Bond</u>
Assets		
Equity in pooled cash and investments	\$ 299,171	\$ 44,874
Due from other funds	24,000	24,000
Accounts receivable	-	-
Total assets	<u>\$ 323,171</u>	<u>\$ 68,874</u>
Liabilities and Fund Balance		
Liabilities - accounts payable	\$ -	\$ -
Fund balance:		
Restricted for capital outlay	68,874	68,874
Committed for capital outlay	254,297	-
Total fund balance	<u>323,171</u>	<u>68,874</u>
Total liabilities and fund balance	<u>\$ 323,171</u>	<u>\$ 68,874</u>

See independent auditor's report.

General Obligation Limited Tax Park Bonds - Series 2018	General Obligation Limited Tax Park Bonds - Series 2017	General Obligation Limited Tax Park Bonds - Series 2016
\$ 232,779	\$ 21,518	\$ -
-	-	-
-	-	-
<u>\$ 232,779</u>	<u>\$ 21,518</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-
232,779	21,518	-
<u>232,779</u>	<u>21,518</u>	<u>-</u>
<u>\$ 232,779</u>	<u>\$ 21,518</u>	<u>\$ -</u>

**Hanover Park Park District
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	<u>Total</u>	<u>Non-Bond</u>	<u>General Obligation Park Bonds Series 2018</u>
Revenues:			
Grants and donations	\$ -	\$ -	\$ -
Interest earned	1,055	-	494
Other	64,092	-	-
Total revenues	65,147	-	494
Expenditures:			
Services:			
Professional	71,677	-	-
Bond issuance costs	14,873	-	14,873
Total services	86,550	-	14,873
Repairs and maintenance:			
Buildings	28,391	-	-
Grounds	11,253	-	-
Equipment	53,310	-	-
Vehicle	21,573	-	-
Aquatic	17,423	-	-
Athletic club	2,151	-	-
Expendable equipment	2,127	-	-
Other	7,319	-	-
Total repairs and maintenance	143,547	-	-
Capital expenditures:			
Computer equipment	11,204	-	5,125
Capital equipment	1,010	-	-
Interior renovations	24,267	-	24,267
Dome replacement	28,653	-	-
Total capital expenditures	65,134	-	29,392
Total expenditures	295,231	-	44,265

(cont'd)

General Obligation Park Bonds Series 2017	General Obligation Park Bonds Series 2016
\$ -	\$ -
561	-
64,092	-
64,653	-
71,677	-
-	-
71,677	-
24,110	4,281
11,253	-
53,310	-
21,573	-
-	17,423
-	2,151
2,127	-
7,319	-
119,692	23,855
918	5,161
186	824
-	-
28,653	-
29,757	5,985
221,126	29,840

**Hanover Park Park District
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual (cont'd)
For the Year Ended April 30, 2019**

	<u>Total</u>	<u>Non-Bond</u>	<u>General Obligation Park Bonds Series 2018</u>
Revenues over (under) expenditures before other financing sources	\$ (230,084)	\$ -	\$ (43,771)
Other financing sources:			
Bonds issued	<u>276,550</u>	<u>-</u>	<u>276,550</u>
Net changes in fund balance	46,466	-	232,779
Fund balance, beginning of the year	<u>276,705</u>	<u>68,874</u>	<u>-</u>
Fund balance, end of the year	<u>\$ 323,171</u>	<u>\$ 68,874</u>	<u>\$ 232,779</u>

See independent auditor's report.

General Obligation Park Bonds Series 2017	General Obligation Park Bonds Series 2016
\$ (156,473)	\$ (29,840)
-	-
(156,473)	(29,840)
177,991	29,840
\$ 21,518	\$ -

**Hanover Park Park District
Debt Service Subfunds
Combining Balance Sheet
April 30, 2019**

	<u>Total</u>	<u>Park Bond and Interest Fund of 2019A</u>	<u>Park Bond and Interest Fund of 2018</u>
Assets			
Equity in pooled cash and investments	\$ 262,420	\$ 3,067	\$ 138,487
Property taxes - net of allowance for uncollectible amounts	<u>708,372</u>	<u>10,085</u>	<u>455,256</u>
Total assets	<u>\$ 970,792</u>	<u>\$ 13,152</u>	<u>\$ 593,743</u>
Deferred Inflows and Fund Balance			
Deferred inflows:			
Property taxes	<u>\$ 462,646</u>	<u>\$ 6,586</u>	<u>\$ 297,333</u>
Total liabilities	<u>462,646</u>	<u>6,586</u>	<u>297,333</u>
Fund balance:			
Restricted for debt service	<u>508,146</u>	<u>6,566</u>	<u>296,410</u>
Total fund balance	<u>508,146</u>	<u>6,566</u>	<u>296,410</u>
Total deferred inflows and fund balance	<u>\$ 970,792</u>	<u>\$ 13,152</u>	<u>\$ 593,743</u>

See independent auditor's report.

<u>Park Bond and Interest Fund of 2017</u>	<u>Park Bond and Interest Fund of 2016</u>	<u>Park Bond and Interest Fund of 2013</u>	<u>Alternate Bond and Interest Fund of 2011A</u>	<u>Fully Paid Bond Issues Fund</u>
\$ 64,693	\$ -	\$ 20,266	\$ -	\$ 35,907
<u>184,706</u>	<u>-</u>	<u>58,325</u>	<u>-</u>	<u>-</u>
<u>\$ 249,399</u>	<u>\$ -</u>	<u>\$ 78,591</u>	<u>\$ -</u>	<u>\$ 35,907</u>
<u>\$ 120,634</u>	<u>\$ -</u>	<u>\$ 38,093</u>	<u>\$ -</u>	<u>\$ -</u>
120,634	-	38,093	-	-
<u>128,765</u>	<u>-</u>	<u>40,498</u>	<u>-</u>	<u>35,907</u>
<u>128,765</u>	<u>-</u>	<u>40,498</u>	<u>-</u>	<u>35,907</u>
<u>\$ 249,399</u>	<u>\$ -</u>	<u>\$ 78,591</u>	<u>\$ -</u>	<u>\$ 35,907</u>

**Hanover Park Park District
Debt Service Subfunds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2019**

	Original and Final Budget	Total	Park Bond and Interest Fund of 2019A
Revenues:			
Property taxes	\$ 906,174	\$ 906,500	\$ 6,566
Adjustment of prior year's taxes	-	(12,676)	-
Total revenues	<u>906,174</u>	<u>893,824</u>	<u>6,566</u>
Expenditures:			
Bond principal	1,302,360	1,302,360	-
Bond interest	127,736	127,736	-
Paying agents' fees	4,500	475	-
Total expenditures	<u>1,434,596</u>	<u>1,430,571</u>	<u>-</u>
Revenues over (under) expenditures before other financing sources (uses)	<u>(528,422)</u>	<u>(536,747)</u>	<u>6,566</u>
Other financing sources (uses):			
Bond proceeds	548,450	548,450	-
Transfers in	-	1,146	-
Transfers out	-	(1,146)	-
Total other financing sources (uses)	<u>548,450</u>	<u>548,450</u>	<u>-</u>
Net changes in fund balance	<u>\$ 20,028</u>	<u>11,703</u>	<u>6,566</u>
Fund balance, beginning of the year		<u>496,443</u>	<u>-</u>
Fund balance, end of the year		<u>\$ 508,146</u>	<u>\$ 6,566</u>

See independent auditor's report.

Park Bond and Interest Fund of 2018	Park Bond and Interest Fund of 2017	Park Bond and Interest Fund of 2016	Park Bond and Interest Fund of 2013	Alternate Bond and Interest Fund of 2011A	Fully Paid Bond Issues Fund
\$ 296,410	\$ 430,900	\$ 96,924	\$ 75,700	\$ -	\$ -
-	-	(12,676)	-	-	-
296,410	430,900	84,248	75,700	-	-
-	592,680	187,680	67,000	455,000	-
-	22,368	4,223	7,695	93,450	-
-	-	-	-	475	-
-	615,048	191,903	74,695	548,925	-
296,410	(184,148)	(107,655)	1,005	(548,925)	-
-	-	-	-	548,450	-
-	-	671	-	475	-
-	-	-	-	-	(1,146)
-	-	671	-	548,925	(1,146)
296,410	(184,148)	(106,984)	1,005	-	(1,146)
-	312,913	106,984	39,493	-	37,053
\$ 296,410	\$ 128,765	\$ -	\$ 40,498	\$ -	\$ 35,907

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**Hanover Park Park District
Schedule of Capital Assets
April 30, 2019**

Land	\$ 3,764,457
Land improvements	4,892,849
Buildings and improvements	16,319,670
Equipment, office furniture and fixtures	2,939,358
Vehicles	397,295
Construction in progress	<u>5,684</u>
Total capital assets, at cost	28,319,313
Less accumulated depreciation	<u>(17,430,190)</u>
Total capital assets, net	<u>\$ 10,889,123</u>

See independent auditor's report.

**Hanover Park District
Schedule of Bonds Payable to Maturity
April 30, 2019**

	Interest Rate	Maturity Date	Original Issue
2011A Alternate Revenue Source Bonds			
	3.00%	12-15-18	\$ 455,000
	4.00%	12-15-19	470,000
	4.00%	12-15-20	490,000
	4.00%	12-15-21	510,000
	4.00%	12-15-22	525,000
			2,450,000
2013 General Obligation Limited Bonds			
	2.25%	12-15-18	67,000
	2.65%	12-15-19	69,000
	2.90%	12-15-20	71,000
	3.15%	12-15-21	73,000
			280,000
2016 General Obligation Limited Bonds			
	2.25%	12-15-18	187,680
2017 General Obligation Limited Bonds			
	2.49%	12-15-18	592,680
	2.49%	12-15-19	232,320
			825,000
2018 General Obligation Limited Bonds			
	3.00%	12-15-19	559,370
	3.00%	12-15-20	265,630
			825,000
2019A General Obligation Limited Bonds			
	3.50%	12-15-19	-
	3.50%	12-15-20	-
	3.50%	12-15-21	-
	3.50%	12-15-22	55,000
	3.50%	12-15-23	60,000
	3.50%	12-15-24	60,000
	3.50%	12-15-25	65,000
	3.50%	12-15-26	65,000
	3.50%	12-15-27	70,000
	3.50%	12-15-28	75,000
			450,000
			\$ 5,017,680

See independent auditor's report.

Payments to April 30, 2019	Outstanding April 30, 2019	Interest Due
\$ 455,000	\$ -	\$ -
-	470,000	79,800
-	490,000	61,000
-	510,000	44,100
-	525,000	21,000
455,000	1,995,000	205,900
67,000	-	-
-	69,000	6,187
-	71,000	4,359
-	73,000	2,300
67,000	213,000	12,845
187,680	-	-
592,680	-	-
-	232,320	5,785
592,680	232,320	5,785
-	559,370	27,500
-	265,630	7,969
-	825,000	35,469
-	-	13,000
-	-	15,750
-	-	15,750
-	55,000	15,750
-	60,000	13,825
-	60,000	11,725
-	65,000	9,625
-	65,000	7,350
-	70,000	5,075
-	75,000	2,625
-	450,000	110,475
\$ 1,302,360	\$ 3,715,320	\$ 370,474

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STATISTICAL DATA

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**Hanover Park Park District
Computation of Legal Debt Margin
April 30, 2019**

	<u>Without Referendum</u>	<u>With Referendum</u>
Assessed valuation	<u>\$ 558,339,684</u>	<u>\$ 558,339,684</u>
Statutory debt limitation - percent of assessed valuation	<u>2.875%</u>	<u>5.750%</u>
Amount	\$ 16,052,266	\$ 32,104,532
Total debt - general obligation bonds	<u>1,720,320</u>	<u>1,720,320</u>
Legal debt margin	<u>\$ 14,331,946</u>	<u>\$ 30,384,212</u>

Alternate revenue source bonds are not included in the computation of statutory indebtedness, unless taxes levied to pay such obligations are in fact extended.

See independent auditor's report.

**Hanover Park Park District
General and Special Revenue Funds
General Revenue by Source
For the Years Ended April 30, 2010 to 2019**

<u>Year</u>	<u>Total</u>	<u>Property Taxes</u>	<u>Personal Property Replacement Income Tax</u>	<u>Recreational and Athletic Club Fees</u>	<u>Grants and Donations</u>
2019	\$ 3,356,914	\$ 2,136,537	\$ 31,534	\$ 968,380	\$ -
2018	3,394,447	2,106,910	30,553	1,083,739	-
2017	3,476,346	2,089,196	37,485	1,203,820	8,326
2016	3,316,666	2,016,096	35,685	1,118,264	-
2015	3,233,380	1,992,676	35,228	1,058,768	-
2014	3,307,153	2,101,202	36,115	1,053,901	-
2013	3,270,021	1,959,845	31,559	1,122,842	-
2012	3,405,447	2,175,294	31,831	1,040,437	-
2011	3,231,355	2,005,193	35,280	1,011,397	-
2010	3,202,791	1,874,877	31,744	1,116,288	-

See independent auditor's report.

<u>Rental</u>	<u>Interest Earned</u>	<u>Pro Shop and Concessions</u>	<u>Other</u>
\$ 63,048	\$ 11,634	\$ 33,614	\$ 112,167
60,078	4,004	28,671	80,492
37,077	1,001	44,024	55,417
38,140	722	43,369	64,390
37,304	110	37,945	71,349
37,781	189	34,850	43,115
55,658	353	49,730	50,034
50,648	504	47,216	59,517
54,629	624	48,301	75,931
56,283	1,124	46,135	76,340

**Hanover Park Park District
General and Special Revenue Funds
General Governmental Expenditures by Function
For the Years Ended April 30, 2010 to 2019**

<u>Year</u>	<u>Total</u>	<u>Salaries and Wages</u>	<u>Services</u>	<u>Repairs and Maintenance</u>	<u>Supplies and Materials</u>
2019	\$ 3,203,802	\$ 1,384,050	\$ 1,497,550	\$ 388	\$ 125,204
2018	3,284,192	1,409,584	1,588,947	695	143,350
2017	3,321,878	1,478,160	1,471,683	781	151,683
2016	3,341,021	1,507,221	1,505,687	412	122,606
2015	3,444,430	1,488,464	1,554,885	64,074	148,094
2014	3,419,923	1,479,495	1,536,450	53,880	146,612
2013	3,485,774	1,516,118	1,482,654	59,409	207,113
2012	3,167,565	1,459,361	1,275,794	63,634	150,018
2011	3,218,654	1,432,596	1,307,717	73,025	157,740
2010	3,203,498	1,462,939	1,291,399	66,338	153,503

See independent auditor's report.

<u>Seafari Springs</u>	<u>Capital Expenditures</u>
\$ 196,610	\$ -
141,616	-
219,571	-
205,095	-
188,913	-
202,394	1,092
219,101	1,379
218,758	-
245,419	2,157
229,025	294

Hanover Park Park District
Statistical Comparison of Property Taxes
Levied to Collected - 2009 to 2018
April 30, 2019

	Tax				
	2018	2017	2016	2015	2014
Assessed valuation:					
DuPage County	\$ 337,657,146	\$ 318,950,826	\$ 296,777,235	\$ 275,333,034	\$ 276,639,836
Cook County	220,682,538	225,111,482	223,173,589	195,206,837	201,978,981
	\$ 558,339,684	\$ 544,062,308	\$ 519,950,824	\$ 470,539,871	\$ 478,618,817
Tax rates (% of assessed valuation):					
General Fund	0.1200	0.1210	0.1241	0.1350	0.1262
Recreation Fund	0.1300	0.1292	0.1323	0.1417	0.1322
Illinois Municipal Retirement Fund	0.0248	0.0267	0.0273	0.0316	0.0334
Liability Insurance Fund	0.0296	0.0281	0.0287	0.0316	0.0300
Audit Fund	0.0029	0.0031	0.0031	0.0034	0.0031
Paving and Lighting Fund	0.0048	0.0042	0.0042	0.0049	0.0046
Special Recreation Fund	0.0367	0.0370	0.0363	0.0401	0.0359
Bond and Interest Fund	0.1657	0.1666	0.1707	0.1877	0.1795
Museum Fund	0.0141	0.0147	0.0150	0.0170	0.0166
Police Fund	0.0131	0.0136	0.0139	0.0159	0.0154
Social Security	0.0204	0.0201	0.0205	0.0237	0.0236
	0.5621	0.5643	0.5761	0.6326	0.6005
Tax extensions:					
General Fund	\$ 669,831	\$ 658,209	\$ 645,133	\$ 635,464	\$ 603,918
Recreation Fund	726,032	703,179	687,941	666,919	632,853
Illinois Municipal Retirement Fund	138,195	145,043	141,950	148,694	159,962
Liability Insurance Fund	165,259	152,816	149,388	148,828	143,475
Audit Fund	16,302	16,973	16,023	16,033	14,912
Paving and Lighting Fund	26,691	22,998	22,045	23,024	22,128
Special Recreation Fund	205,180	201,032	188,559	188,846	171,877
Bond and Interest Fund	925,292	906,212	887,536	883,334	858,983
Museum Fund	78,815	79,780	77,853	79,965	79,638
Police Fund	72,993	73,910	72,292	74,760	73,661
Social Security	113,844	109,122	106,810	111,554	112,759
	\$ 3,138,434	\$ 3,069,274	\$ 2,995,530	\$ 2,977,421	\$ 2,874,166
Collections	\$ 702,763	\$ 3,012,202	\$ 2,979,499	\$ 2,950,368	\$ 2,842,797
Percentage of extensions collected	22.39%	98.14%	99.46%	99.09%	98.91%

See independent auditor's report.

Year				
2013	2012	2011	2010	2009
\$ 287,951,321	\$ 317,294,203	\$ 360,581,528	\$ 400,890,906	\$ 433,445,365
236,103,104	236,103,104	255,467,574	258,156,274	280,951,225
\$ 524,054,425	\$ 553,397,307	\$ 616,049,102	\$ 659,047,180	\$ 714,396,590
0.1190	0.1187	0.1010	0.0922	0.0896
0.1089	0.1064	0.0856	0.0770	0.0742
0.0340	0.0280	0.0225	0.0167	0.0173
0.0282	0.0308	0.0249	0.0344	0.0169
0.0028	0.0029	0.0029	0.0023	0.0016
0.0033	0.0035	0.0023	0.0031	0.0034
0.0375	0.0418	0.0384	0.0415	0.0401
0.1629	0.1566	0.1309	0.1231	0.1136
0.0156	0.0139	0.0119	0.0111	0.0108
0.0145	0.0150	0.0103	0.0093	0.0118
0.0225	0.0222	0.0186	0.0155	0.0147
0.5492	0.5398	0.4493	0.4262	0.3940
\$ 623,433	\$ 656,883	\$ 622,210	\$ 607,641	\$ 640,099
570,499	588,815	527,338	507,466	530,082
177,927	154,951	138,611	110,061	123,591
147,794	170,446	153,396	226,712	120,733
14,770	16,049	17,865	15,158	11,430
17,037	19,369	14,169	20,430	24,289
196,289	231,320	236,563	273,505	286,473
853,824	866,620	806,408	811,287	811,555
81,726	76,922	73,310	73,154	77,155
76,201	83,010	63,453	61,291	84,299
117,829	122,854	114,585	102,152	105,016
\$ 2,877,329	\$ 2,987,239	\$ 2,767,908	\$ 2,808,857	\$ 2,814,722
\$ 2,832,108	\$ 2,909,166	\$ 2,761,055	\$ 2,779,361	\$ 2,800,082
98.43%	97.39%	99.75%	98.95%	99.48%

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