

**MEDINAH PARK DISTRICT**

Medinah, Illinois

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

Board of Park Commissioners  
Medinah Park District  
Medinah, Illinois

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Medinah Park District as of and for the year ended December 31, 2016, 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; 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***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***Opinions***

In my opinion, the basic 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 Medinah Park District, Medinah, Illinois as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States require that the management's discussion and analysis, the schedule of funding progress for the Illinois municipal retirement fund, and the schedules of revenues and expenditures compared with budget on pages 3 - 8 and 42 - 50 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Medinah Park District's financial statements. The schedules listed in the table of contents as "Statistical Information" are presented for purposes of additional analysis and are not a required part of the financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**GIBBERT & ASSOCIATES, P. C.**

Hawthorn Woods, Illinois  
April 28, 2017

A Professional Corporation

## **MEDINAH PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

As Management of the Medinah Park District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2016. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the District's financial statements.

### **FINANCIAL HIGHLIGHTS**

The assets of the District exceeded its liabilities at December 31, 2016 by \$6,148 million. At the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$379,321; a decrease of \$249,500 in comparison with the prior fiscal year.

Property and replacement taxes collected were \$1,122,236 and \$42,739, an increase of \$9,159 for property taxes and a decrease of \$5,494 for replacement taxes.

The Governmental Activities revenues were \$1,524,325; a decrease of \$20,377 over the prior fiscal year, while the expenditures were \$1,773,825; an increase of \$24,744 over the prior fiscal year.

The District's outstanding long-term bonded debt is \$1,640,000 compared to \$1,715,000 the prior fiscal year.

### **Overview of the financial statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reports as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

## **MEDINAH PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future.

The Governmental Activities reflects the District's basic services, including administration and culture and recreation. Property taxes and program fees finance the majority of these services.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so; readers may better understand the long-term impact of the District's near-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 facilitate this comparison between governmental funds and governmental activities.

The District maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, the Recreation, and the Special Recreation, these three are considered to be major funds. Information from the District's seven other governmental funds are combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 9 of this report.

**MEDINAH PARK DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

**Other information**

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the District’s progress in funding its obligation to provide pension benefits to its employees.

**Government-Wide Financial Analysis**

The following chart reflects the condensed Statement of Net Assets (in thousands)

	<u>2016</u>	<u>2015</u>
Current and other assets	\$3,810	\$4,157
Capital assets	<u>5,769</u>	<u>5,513</u>
Total assets	<u>9,579</u>	<u>9,670</u>
Long-term debt outstanding	1,640	1,715
Other liabilities/Deferred Inflows	<u>1,791</u>	<u>1,813</u>
Total liabilities	<u>3,431</u>	<u>3,528</u>
Net assets:		
Invested in capital assets net of debt	5,769	5,513
Unrestricted	<u>379</u>	<u>629</u>
Total net assets	<u>\$6,148</u>	<u>\$6,142</u>

The largest portion of the District’s net assets reflects its investment in capital assets (e.g. land, buildings, machinery and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Net assets of the District’s governmental activities increased from \$6,142 million to \$6,148 million. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints, decreased from \$628,821 to \$379,321 at the end of the fiscal year.

The following chart reflects the condensed Statements of Activities (in thousands):

Revenues:	<u>2016</u>	<u>2015</u>
Program revenues:		
Charges for services	\$ 172	\$ 169
Grants and contributions	39	40
General revenues		
Property and replacement taxes	1,165	1,161
Interest	3	1
Other general revenue	<u>145</u>	<u>174</u>
Total revenues	<u>\$1,524</u>	<u>\$1,545</u>

**MEDINAH PARK DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Program expenses:	<u>2016</u>	<u>2015</u>
General government	\$ 571	\$ 617
Recreation	515	488
Special recreation	119	114
Capital projects	358	271
Other funds	<u>211</u>	<u>260</u>
Total expenses	<u>1,773</u>	<u>1,750</u>
Increase (decrease)		
In net assets	<u>\$ (249)</u>	<u>\$ (204)</u>
Ending net assets	<u>\$6,148</u>	<u>\$6,142</u>

**Financial Analysis of the Government’s Funds**

The analysis of the Park District’s major funds statements reinforces information in the government-wide financial statements or provide additional information. The District’s major funds are presented in a separate column in the fund financial statements, and the remaining funds are combined into a column titled “Non-major Governmental Funds”. For all funds, a Budgetary Comparison Schedule is presented in the Required Supplemental Information section.

**General Fund Budgetary Highlights**

The following chart reflects the condensed Budgetary Comparison Schedule (in thousands):

	<u>Adopted Budget</u>	<u>Actual</u>
General Fund:		
Revenues:		
Taxes	\$ 511,499	\$505,857
Other	<u>172,481</u>	<u>159,179</u>
Total	683,980	665,036
Expenditures:	<u>704,530</u>	<u>570,978</u>
Change in fund balance	<u>\$ ( 20,550)</u>	<u>\$ 94,058</u>
Recreation Fund:		
Revenues:		
Taxes	\$337,036	\$334,233
Other	<u>199,823</u>	<u>198,533</u>
Total	536,859	532,766
Expenditures:	<u>566,733</u>	<u>514,664</u>
Change in fund balance	<u>\$ ( 29,874)</u>	<u>\$ 18,102</u>

# MEDINAH PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

## Capital Asset and Debt Administration

<b>Capital Assets (in thousands):</b>	<u>2016</u>	<u>2015</u>
Non-depreciable Assets:		
Land	\$1,227	\$1,227
Other Capital Assets:		
Land improvements	1,148	1,148
Construction	5,861	5,454
Machinery and equipment	575	575
Licensed vehicles	224	201
Accumulated depreciation on capital assets	<u>(3,266)</u>	<u>(3,091)</u>
Totals	<u>\$5,769</u>	<u>\$5,514</u>

## Debt Administration

At year-end, the Park District had \$1,640,000 in non-referendum bonds compared to \$1,715,000 at prior year end. These bonds are fully registered General Obligation Limited Tax Park Bonds, Series 2014.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Budgeted revenues for 2017 are expected to be slightly higher than those seen in 2016. Budgeted recreation program fees are expected to see a small decrease over 2016 actuals. An increase in the amount of projects completed in support of special recreation services, including improvements in access to facilities as required by ADA will see increased revenues associated with them.

Expenditures across all funds are expected to be lower in accordance with the information above. Several capital projects will be finalized, totaling about \$222,690. These capital projects are associated with our ongoing Master Plan projects and come from our 2014 General Obligation Bond issue. Standard operational expenses will be similar to those in 2016, with slight increases projected in personnel related costs. Year-end operational fund balances are expected to be larger than those experienced in 2016. Remaining 2014 bond issue funds will be exhausted by the end of 2017.

## CONTACTING THE PARK DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Park District's finances and to show the Park District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Park District's office at 22W130 Thorndale Avenue, Medinah, IL 60157 or by telephone at 630-893-2560.

**MEDINAH PARK DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2016**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash - checking	\$ 504,415
Cash - investments	563,762
Receivable - property taxes	1,015,088
Deposit with NEDSRA	86,735
Deferred tax revenues for payment of non-referendum bonds	1,640,000
<b>Total Current Assets</b>	<u>3,810,000</u>
<b>Non - Current Assets</b>	
Capital assets not subject to depreciation (land)	1,226,633
Other capital assets, net of depreciation	4,542,403
<b>Total Non - Current Assets</b>	<u>5,769,036</u>
<b>TOTAL ASSETS</b>	<u>\$ 9,579,036</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 131,138
Non-referendum bond payable	80,000
<b>Total Current Liabilities</b>	<u>211,138</u>
<b>Non - Current Liabilities</b>	
Net pension liability	646,229
Non - referendum bonds	1,560,000
<b>Total Non - Current Liabilities</b>	<u>2,206,229</u>
<b>Deferred Inflow of Resources</b>	
Deferred revenue - property taxes	<u>1,013,311</u>
<b>NET POSITION</b>	
Net investment in Capital Assets	5,769,036
Restricted for	
Recreation	83,597
Capital projects	439,985
Public audit	2,428
Liability insurance	4,802
Police	0
Paving and lighting	7,578
Special recreation	0
Working cash	26,871
Non-referendum bond	14,936
Unassigned	<u>(200,876)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 6,148,357</u>

See accompanying notes to financial statements.

**MEDINAH PARK DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Expenses</u>	<u>Program revenues</u>		<u>Total Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental Activities</b>				
General government	\$ 315,527	\$ 0	\$ 0	\$ (315,527)
Recreation	514,664	171,875	1,814	(340,975)
Special recreation	118,732		37,723	(81,009)
Capital projects	358,234	0	0	(358,234)
Other	211,217	0	0	(211,217)
<b>Total Governmental Activities</b>	<u>\$ 1,518,374</u>	<u>\$ 171,875</u>	<u>\$ 39,537</u>	(1,306,962)
<b>GENERAL REVENUES</b>				
Taxes				
Property taxes levied for general purposes				1,122,236
Replacement taxes for general purposes				42,739
Interest earned				2,953
Bond proceeds				0
Other				144,985
<b>TOTAL GENERAL REVENUES</b>				<u>1,312,913</u>
<b>CHANGE IN NET POSITION</b>				5,951
<b>NET POSITION</b>				
<b>BEGINNING OF YEAR</b>				<u>6,142,406</u>
<b>END OF YEAR</b>				<u>\$ 6,148,357</u>

See accompanying notes to financial statements.

**MEDINAH PARK DISTRICT  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2016**

	Major Funds					Total Governmental Funds
	General	Recreation	Special Recreation	Capital Projects Fund	Non-major Governmental Funds	
<b>Assets</b>						
Cash	\$ 475,183	\$ 0	\$ 0	\$ 29,231	\$ 0	\$ 504,414
Investments	253,302	0	0	310,460	0	563,762
Due from other funds	0	86,856	307	214,654	60,568	362,385
Due from NEDSRA	86,735	0	0	0	0	86,735
Property taxes receivable	495,617	336,703	118,168	0	64,600	1,015,088
<b>Total assets</b>	<b>\$ 1,310,837</b>	<b>\$ 423,559</b>	<b>\$ 118,475</b>	<b>\$ 554,345</b>	<b>\$ 125,168</b>	<b>\$ 2,532,384</b>
<b>Liabilities</b>						
Accounts payable	\$ 8,099	\$ 4,419	\$ 307	\$ 114,360	3,953	\$ 131,138
Due to other funds	362,385	0	0	0	0	362,385
Net pension liability	646,229	0	0	0	0	646,229
<b>Total liabilities</b>	<b>1,016,713</b>	<b>4,419</b>	<b>307</b>	<b>114,360</b>	<b>3,953</b>	<b>1,139,752</b>
<b>Deferred Inflow of Resources</b>						
Deferred revenue - property taxes	495,000	335,543	118,168	0	64,600	1,013,311
<b>Fund balances</b>						
Restricted for recreation	0	83,597	0	0	0	83,597
Restricted for capital projects	0	0	0	439,985	0	439,985
Restricted for public audits	0	0	0	0	2,428	2,428
Restricted for liability insurance	0	0	0	0	4,802	4,802
Restricted for police	0	0	0	0	0	0
Restricted for paving and lighting	0	0	0	0	7,578	7,578
Restricted for special recreation	0	0	0	0	0	0
Restricted for working cash	0	0	0	0	26,871	26,871
Restricted for non-referendum bond	0	0	0	0	14,936	14,936
Unassigned	(200,876)	0	0	0	0	(200,876)
<b>Total fund balances</b>	<b>(200,876)</b>	<b>83,597</b>	<b>0</b>	<b>439,985</b>	<b>56,615</b>	<b>379,321</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,310,837</b>	<b>\$ 423,559</b>	<b>\$ 118,475</b>	<b>\$ 554,345</b>	<b>\$ 125,168</b>	<b>\$ 2,532,384</b>

See accompanying notes to financial statements.

**MEDINAH PARK DISTRICT  
RECONCILIATION OF GOVERNMENTAL BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Total fund balances for governmental funds	\$ 379,321
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 are not reported in the funds	<u>5,769,036</u>
Net position of governmental activities	<u>\$ 6,148,357</u>

See accompanying notes to financial statements.

**MEDINAH PARK DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Major Funds				Non-major Governmental Funds	Total
	General	Recreation	Special Recreation	Capital Projects Fund		
<b>Revenues</b>						
Property taxes	\$ 475,380	\$ 321,971	\$ 118,732	\$ 0	\$ 206,153	\$ 1,122,236
Personal property replacement taxes	30,477	12,262	0	0	0	42,739
Interest earned	1,315	0	0	1,638	0	2,953
Commuter parking revenues	113,945	0	0	0	0	113,945
Program revenues	0	171,875	0	0	0	171,875
Donations/Grants	6,255	1,814	0	0	0	8,069
ADA improvements - NEDSRA	31,468	0	0	0	0	31,468
Bond proceeds	0	0	0	0	0	0
Miscellaneous	6,196	24,844	0	0	0	31,040
<b>Total revenues</b>	<b>665,036</b>	<b>532,766</b>	<b>118,732</b>	<b>1,638</b>	<b>206,153</b>	<b>1,524,325</b>
<b>Expenditures</b>						
Salaries	239,471	288,130	0	0	0	527,601
Contractual services	134,037	226,534	0	358,234	63,092	781,897
Materials and supplies	105,596	0	0	0	4,437	110,033
Capital outlay	91,874	0	0	0	0	91,874
Special recreation expense	0	0	118,732	0	0	118,732
Bond and interest payments	0	0	0	0	143,688	143,688
<b>Total expenditures</b>	<b>570,978</b>	<b>514,664</b>	<b>118,732</b>	<b>358,234</b>	<b>211,217</b>	<b>1,773,825</b>
Excess (deficiency) of revenues over expenditures	94,058	18,102	0	(356,596)	(5,064)	(249,500)
<b>Other financing sources (uses)</b>						
Transfers in	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
<b>Net change in fund balance</b>	<b>94,058</b>	<b>18,102</b>	<b>0</b>	<b>(356,596)</b>	<b>(5,064)</b>	<b>(249,500)</b>
<b>Fund balance</b>						
Beginning of year	(294,934)	65,495	0	796,581	61,679	628,821
End of year	<u>\$ (200,876)</u>	<u>\$ 83,597</u>	<u>\$ 0</u>	<u>\$ 439,985</u>	<u>\$ 56,615</u>	<u>\$ 379,321</u>

See accompanying notes to financial statements.

**MEDINAH PARK DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Net change in fund balances - Total governmental funds (Statement of revenues, expenditures and changes in fund balances)	\$ (249,500)
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation of capital assets is not considered an expenditure in the fund financial statements	(175,148)
Purchase of capital assets are treated as an expenditure in the fund financial statements	<u>430,599</u>
Change in net position - Statement of activities	<u>\$ 5,951</u>

See accompanying notes to financial statements.

**MEDINAH PARK DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

The accompanying basic financial statements present the Park District only since the Park District does not have component units. The Park District has a separately elected board, the power to levy taxes, the authorization to expend funds, the responsibility to designate management and the ability to prepare and modify the annual budget and issue debt. Therefore, the Park District is not included as a component unit of any other entity.

***Basis of Presentation***

*Government -Wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Governmental Activities generally are financed through taxes, intergovernmental revenue, and non-exchange revenue.

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. Program revenues include charges to residents who purchase, use or directly benefit goods, services or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Revenues that are not classified as program revenues, such as taxes and other income items that are not specifically related to a function are reported as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Park District.

The Park District has reported two categories of program revenues in the Statement of Activities (1) charges for services, and (2) program-specific operating grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as State of Illinois; they reduce the net cost of each function to be financed from the Park District's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue.

Net position represents the difference between assets and liabilities. Net investments in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition/construction of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Park District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

*Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Park District (General Fund) or meets the following criteria:

**MEDINAH PARK DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

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

The Park District reports the following major governmental funds.

General Fund – The General Fund is the general operating fund of the Park District and accounts for all revenues and expenditures of the Park District not encompassed within other funds. All general tax revenues and other receipts that are allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Recreation Fund – The Recreation Fund, a special revenue fund, accounts for all revenue and expenditures related to the recreation activities and programs. Revenues of the Recreation Fund include property taxes, user charges, contributions, and miscellaneous income.

Special Recreation Fund – The Park District has entered into a joint agreement forming the Northeast DuPage Special Recreation Association (NEDSRA). NEDSRA provides recreational programs for people with disabilities. The Park District, funded by special levy, contributes annually for membership.

Capital Projects Fund – The Capital Development Fund is a Capital Projects fund type used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

The Park District also reports the following non-major governmental funds.

Audit Fund – The Audit Fund accounts for the revenue of taxes levied for payment of the cost of the annual audit of the Park District's financial statements.

Liability Insurance Fund – The Liability Insurance Fund provides for the payment of the cost of settlement or judgment, protecting the Park District or its employees against any liability, and property damage or loss including all costs and reserves of being a member of an insurance pool, to pay the cost of principal and interest on bonds issued, to pay tort judgments or settlements to the extent necessary to discharge any and all obligations authorized by law as now or hereafter amended and to pay the cost of risk care management programs. Its revenue is from property taxes.

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

Paving and Lighting – The Paving and Lighting Fund provides for the payment of the paving and electrical expenses of the Park District. Its revenue is from property taxes.

Police – This Fund provides for the expenses related to the Park District's police protection. Its revenue is from property taxes. This fund was closed during current year.

Working Cash Fund – This Fund was created to enable the Park District to have sufficient money for ordinary and necessary expenditures. The proceeds in this Fund, provided through a tax levy, may be borrowed by other Funds of the Park District in anticipation of taxes levied and not received. Borrowed funds must be reimbursed to the Working Cash Fund from collections of taxes.

**MEDINAH PARK DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

*Measurement Focus, Basis of Accounting*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, liabilities, and deferred inflows of resources (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. These funds are budgeted in this manner. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance and (b) demonstrate the source and use of liquid resources. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental columns, (due mainly to the inclusion of capital asset and long-term debt activity in the government-wide presentation) a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Governmental fund revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

*Other Significant Accounting policies*

The Fund balance is divided into five classifications as follows:

**Nonspendable** – includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

**Restricted** – includes amounts that can be spent only for the specific purpose stipulated by constitution, external resource providers, or through enabling legislation.

**Committed** – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action it used to commit those amounts.

**Assigned** – amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.

**Unassigned** – is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted.

*Due from (to) other funds*

Interfund receivables and payables are used to record the ins and outs of the various funds. The interfund receivables and payables have been eliminated in the Statement of Net Assets

**MEDINAH PARK DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

*Accounting Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires District officials to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and Cash Equivalents*

The District has funds in several checking accounts, certificates of deposit, repurchase agreements and the State of Illinois Treasurer's Investment Pool (Illinois Funds). All of these funds are considered as cash and cash equivalents.

*Compensated Absences*

Full-time and Regular Part-time employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the District. Sick days accrue at varying rates depending on employee classifications. Upon termination of employment all accrued vacation benefits will be paid but any unused sick days will not be paid. The estimated liability for vested compensated absences is not accrued since the amount cannot be reasonably estimated.

*Capital assets*

Capital assets include property and equipment and infrastructure assets, are reported in the government-wide financial statements. The District defined 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 cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the assets, or materially extend the assets' lives, are 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 years
Buildings and constructed assets	20 – 50 years
Machinery and equipment	5 – 20 years
Licensed vehicles	8 years

Impairment losses related to capital assets are recognized and measured when there has been a significant, unexpected decline in the service utility of capital assets. The events or changes in circumstances which lead to impairment determinations are not considered to be normal or ordinary. The service utility of a capital asset is the usable capacity which, at acquisition, was expected to be used or provide service. Common indicators of impairment include – evidence of physical damage where the level of damage is such that restoration efforts are needed to restore service utility; enactment of laws or approval of regulations as well as changes in environmental factors; technological developments; or other evidence of obsolescence; changes in the manner or duration of use of capital assets; or construction stoppage due to lack of funding. There were no impairment charges during fiscal 2016.

**MEDINAH PARK DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

*New Accounting Principles*

The District has adopted all current GASB pronouncements that are applicable to its operation and activities. The accounting principles governing the reported amounts, financial presentations, and disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various standards-setting bodies. The GASB has issued the following new statements that are potentially applicable to the District.

- Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date
- Statement No. 72, Fair Value Measurement and Application
- Statement No. 73, Amendments to Certain provisions of GASB Statements 67 and 68
- Statement No. 82, Pension Issues-an amendment of GASB Statements No. 67, No. 68 and No.73

New pronouncements not in effect as of December 31, 2016, are not expected to have any significant impact on the District's financial position, results of operations, or cash flows. The District is currently studying these new pronouncements and will adopt them, as applicable, for the year ending December 31, 2017.

2. DEPOSITS AND INVESTMENTS:

The District's investment policy authorizes the District to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U. S. Treasury and U. S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rates within the three highest classifications by at least two standard rating services and Illinois Funds (created by the Illinois Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participant's fair value). The District's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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

The District maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the District's funds.

**Deposits with Financial Institutions -Custodial credit risk** for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral, at 110% of deposits secured, for all bank balances in excess of federal depository insurance, with the collateral held by an independent third party.

**Investments**

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools.

**MEDINAH PARK DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

2. DEPOSITS AND INVESTMENTS (continued):

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution.

Concentration of credit risk is the risk that the District has a high percentage of their investments invested in one type of investment. The District's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

3. PROPERTY TAXES:

The District's property taxes are levied each calendar year on all real property located in the District. Property taxes collected are recorded as revenue.

The County Assessor is responsible for assessment of all taxable real property within DuPage County, except for certain railroad property, which is assessed directly by the state. One-third of DuPage County is reassessed each year on a repeating triennial schedule established by the County Assessor.

The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in DuPage County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following year. Taxes must be levied by the last Tuesday in December of the levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

The 2016 property tax levy is recorded as a receivable, net of estimated uncollectable approximating 1.5. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, is recognized as revenue. Net taxes receivable, less the amount expected to be collected during a period not to exceed 60 days after the end of the fiscal year are reflected as deferred revenue.

4. DEPOSIT WITH NEDSRA:

The deposit with NEDSRA represents the difference of the appropriations and ordinance for special recreation levy and NEDSRA fees according to the agreed upon rate. The payment difference is to be used to assist people with disabilities and to pay the costs for improvements in accessibility to district facilities, programs, and services that enhance the joint agreement.

**MEDINAH PARK DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

5. NON-REFERENDUM BONDS:

A summary of the non-referendum bonds is as follows:

Description	December 31, <u>2015</u>	<u>Issued</u>	<u>Retired</u>	December 31, <u>2016</u>
2014 - \$1,870,000 originally issued with interest ranging From 2.0% to 4.75%	<u>\$1,715,000</u>	<u>\$0</u>	<u>\$80,000</u>	<u>\$1,640,000</u>

Following is a summary of bond principal maturities requirements:

<u>Year Ending December 31,</u>	<u>Bond Principal Due</u>
2017	80,000
2018	80,000
2019	85,000
2020	85,000
Thereafter	<u>1,310,000</u>
	<u>\$1,640,000</u>

Proceeds from the above bonds will be used to (i) currently refund the District's outstanding General Obligation Limited Park Series 2001, dated March 1, 2001 (the "Prior Bonds"), (ii) finance various capital improvements to the facilities of the District and (iii) pay certain costs associated with the issuance of the Bonds. Improvements include recreation center improvements to making the building more customer friendly and useful to staff and the community and outdoor park space upgrades including ball fields, fencing, walking trails and playgrounds. These improvements are expected to be completed by December 2017.

6. CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2016 is as follows:

	Balance December 31, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2016</u>
Capital assets not subject to depreciation				
Land	<u>\$1,226,633</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,226,633</u>
Capital assets subject to depreciation				
Land improvements	1,148,067	0	0	1,148,067
Buildings and constructed assets	5,454,189	415,079	0	5,869,268
Machinery and equipment	574,488	0	0	574,488
Licensed vehicles	<u>200,717</u>	<u>22,520</u>	<u>7,000</u>	<u>216,237</u>
Total assets subject to depreciation	<u>7,377,461</u>	<u>437,599</u>	<u>7,000</u>	<u>7,808,060</u>
Less accumulated depreciation for				
Land improvements	610,787	31,000	0	641,787
Buildings and constructed assets	1,896,831	116,249	0	2,013,080
Machinery and equipment	404,870	15,736	0	420,606
Licensed vehicles	<u>178,021</u>	<u>12,163</u>	<u>0</u>	<u>190,184</u>
Total accumulated depreciation	<u>3,090,509</u>	<u>175,148</u>	<u>0</u>	<u>3,265,657</u>
Net capital assets subject to depreciation	<u>4,286,952</u>	<u>262,451</u>	<u>7,000</u>	<u>4,542,403</u>
Net capital assets	<u>\$5,513,585</u>	<u>\$262,451</u>	<u>\$7,000</u>	<u>\$5,769,036</u>

The total depreciation for the year of \$175,148 was charged to the general government fund.

**MEDINAH PARK DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

7. LEASE COMMITMENTS:

The District leases land for two commuter parking lots under the following leases:

- 1) A cancellable lease expiring April 11, 2021 with annual initial lease payments of \$4,000 with annual increase of 3 percent on first month of each year of the lease agreement. This lease limits the District's liability for routine maintenance and/or improvements, including but not limited to any repairs, improvements, replacements and/or construction costs to \$7,500.00
- 2) Beginning January 1, 2016, this cancellable lease, expiring December 31, 2056 requires annual rent payments of \$10.00. This lease requires District to manage all Routine and Standard maintenance and specifies an annual "Capital Account" improvement account as follows:

Year 1 through 8	\$21,250 annually
Year 9 through 16	\$24,375 annually
Year 17 through 24	\$27,500 annually
Year 25 through 32	\$30,625 annually
Year 33 through 40	\$33,750 annually

8. RETIREMENT PLAN:

Plan description: The District adopted a deferred compensation plan created in accordance with Internal Revenue Code Section 457, for all qualified District employees. The plan permits participants to defer a portion of their salary until future years. The District administrates all amounts of compensation deferred under the Plan, at the direction of the covered employee, through investments in Kemper Advantage III accounts.

The District's defined benefit pension plan for qualified employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

Benefits provided: As set by statute, the employer's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The total employer contribution rate for calendar year 2015 was 18.15 percent of annual covered payroll, including pension and disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Membership: As of December 31, 2015, there were 6 retirees and beneficiaries currently receiving benefits. There were 5 inactive, non-retired members and 10 active members.

Net Pension Liability: The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the District at December 31, 2015, were as follows:

Total pension liability	\$ 1,881,704
Plan fiduciary net position	(1,235,475)
District's net pension liability	\$ <u>646,229</u>
Plan fiduciary net position as a percentage of the total pension liability	65.66%

**MEDINAH PARK DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

8. RETIREMENT PLAN (continued):

For 2015, the District implemented GASB 68 which requires reporting the net pension liability on its financial statements.

Methods and assumptions Used to Determine Total Pension Liability for 2016:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Inflation	3.5%
Price inflation	2.75%
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.43%
Retirement age	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disable retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied to the non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate: The discount rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in the future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%, the municipal bond rate is 3.57% and the resulting single discount rate is 7.43%.

**MEDINAH PARK DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

8. RETIREMENT PLAN (continued):

Changes in Net Pension Liability: Changes in the net pension liability for the year ended December 31, 2015 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, December 31, 2014	\$1,786,225	\$1,128,987	\$657,238
Changes for the year:			
Service cost	44,789	0	44,789
Interest	131,169	0	131,169
Benefit changes	0	0	0
Difference between expected and actual experience	5,955	0	5,955
Changes of assumptions	0	0	0
Benefit payments	(86,434)	0	(86,434)
Contributions – employer	0	71,089	71,089
Contributions – employee	0	17,625	17,625
Net investment income	0	5,651	5,651
Benefit payments	0	(86,434)	(86,434)
Other – net transfer	0	<u>98,557</u>	<u>98,557</u>
Net changes	<u>95,479</u>	<u>106,488</u>	<u>(11,009)</u>
Balance, December 31, 2014	<u>\$1,881,704</u>	<u>\$1,235,475</u>	<u>\$646,229</u>

Sensitivity of the net pension liability to changes in the Single Discount Rate: The following presents the net pension liability of the District, calculated using the SDR rate of 7.43%, as well as what the District's net pension liability would be if it were calculated using a SDR that is 1-percentage-point lower (6.43%) or 1-percentage-point higher (8.43%) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.43%	\$876,320
Current rate	7.43%	\$646,229
1% increase	8.43%	\$456,654

As a result of its requirement to contribute to IMRF, the District recognized expense of \$10,921 for the year ended December 31, 2015. At December 31, 2015, the District reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirement to contribute to IMRF:

	Deferred Outflows Of Resources	Deferred Inflows of Resources
Differences between expected and Actual experience	\$ 11,445	\$0
Assumption changes	48,542	0
Net difference between projected and actual Earnings on pension plan investments	<u>74,640</u>	<u>0</u>
Total	<u>\$134,627</u>	<u>\$0</u>

**MEDINAH PARK DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

8. RETIREMENT PLAN (continued):

Other amounts reported as deferred outflows of resources and deferred inflows of resources as a result of the District's requirement to contribute to IMRF will be recognized in expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$39,600
2017	39,600
2018	38,008
2019	17,419
2020	0
Thereafter	<u>0</u>
Total	<u>\$134,627</u>

9. DEFERRED REVENUE - PROPERTY TAXES:

The District's property tax is levied each calendar year on all taxable real property located in the District. The District must file its tax levy ordinance by the fourth Tuesday of December each year. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following year. Property taxes attach as an enforceable lien on property as of January 1. The taxes are billed and collected by DuPage County, who then remits to the District its respective share of collections. Because of the extraordinarily long period of time between the levy date and the receipt of tax from the county collector, property taxes 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 deferred tax revenue.

10. INSURANCE - RISK MANAGEMENT:

The 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 June 1, 1992 the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park districts, 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' liability employment practices liability, worker's compensation and pollution liability coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

For 2016, there were no significant reductions in insurance coverage from the previous year.

**MEDINAH PARK DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

10. INSURANCE - RISK MANAGEMENT (continued):

The following table is a summary of the property/casualty coverage in effect for the period January 1, 2016 through January 1, 2017:

COVERAGE	MEMBER DEDUCTIBLE	SELF-INSURED RETENTION	LIMITS	INSURANCE COMPANY	POLICY NUMBER
<b>1. Property</b> Property/Bldg/Contents All losses per occurrence	\$1,000	\$1,000,000	\$1,000,000,000/all members	PDRMA Reinsurers: Various Reinsurers through the Public Entity Property Reinsurance Program (PEPIP)	PO70115
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 & collision	\$1,000	\$1,000,000	Included		
Course of Construction Builders Risk Business Interruption, Rental Income, Tax Income Combined	\$1,000 \$1,000	Included	\$25,000,000 \$100,000,000/reported values \$500,000/\$2,500,000/ Non-reported values		
Service interruption	24 hours	N/A	\$25,000,000 OTHER SUB-LIMITS APPLY- REFER TO COVERAGE DOCUMENT	Travelers Indemnity Co. of Illinois.	BME1 0525L478
Boiler and Machinery Property Damage Business Income	\$1,000 48 hours	\$9,000 N/A	\$100,000,000 Equip. Breakdown Property damage-included Included OTHER SUB-LIMITS APPLY- REFER TO COVERAGE DOCUMENT		
Fidelity and Crime Seasonal employees Blanket bond	\$1,000 \$1,000 \$1,000	\$24,000 \$ 9,000 \$24,000	\$2,000,000/occurrence \$1,000,000/occurrence \$2,000,000/occurrence		

COVERAGE	MEMBER DEDUCTIBLE	PDRMA-SELF-INSURED RETENTION	LIMITS	INSURANCE COMPANY	POLICY NUMBER
<b>2. Workers Compensation</b>	N/A	\$500,000 \$500,000	Statutory \$3,500,000 Employers Liability	PDRMA Government Entities Mutual Safety National	WC010116 GEM-0003- A16005 SP4054429
<b>3. Liability</b> General Auto Liability Employment Practices Public Officials' Liability Law Enforcement Liability  Uninsured/Underinsured Motorists	None None None None None  None	\$500,000 \$500,000 \$500,000 \$500,000 \$500,000  \$500,000	\$21,500,000/occurrence \$21,500,000/occurrence \$21,500,000/occurrence \$21,500,000/occurrence \$21,500,000/occurrence  \$1,000,000/occurrence	PDRMA Reinsurers: GEM Great American Genesis	L010116  GEM-003- A16002 C501

**MEDINAH PARK DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

10. INSURANCE - RISK MANAGEMENT (continued):

COVERAGE	MEMBER DEDUCTIBLE	PDRMA SELF-INSURED RETENTION	LIMITS	INSURANCE COMPANY	POLICY NUMBER
4. Pollution Liability Liability-third party Property-first party	None \$1,000	\$25,000 \$24,000	\$5,000,000 per occurrence \$30,000,000 3-year aggregate	XL Environmental Ins	PEC2535805
5. Outbreak Expense	24 hours	N/A	\$15,000 per day \$1 million aggregate policy limit	Great American	08010116
6. Information Security and Privacy Insurance with Electronic Media Liability Coverage Information Security & Privacy Liability	None	\$100,000	\$2,000,000/occurrence/annual aggregate	Beazley Lloyds Syndicate AFB 2623/623 Through the PEPPIP program	PH1533938
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 First Party Business Interruption	\$1,000 8 hours	\$100,000 \$100,000	\$2,000,000/occurrence/annual aggregate \$25,000 hourly sublimit/\$25,000 Forensic expense/\$100,000 Dependent business interruption		
6. Volunteer Medical Accident	None	\$5,000	\$5,000 medical expense and AD&D excess of any other collectible insurance	Self-insured	
7. Underground Storage Tank Liability	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund	Self-insured	
8. Unemployment Compensation	N/A	N/A	Statutory	Member funded	

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Medinah Park District.

As a member of PDRMA's Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the Medinah Park District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body. The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, 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.

**MEDINAH PARK DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

10. INSURANCE RISK MANAGEMENT (continued):

The following represents a summary of PDRMA's balance sheet at December 31, 2015 and the statement of revenues and expenses for the period ending December 31, 2015. The District's portion of the overall equity of the pool is 0.138% or \$55,975.

Assets	\$63,181,823
Liabilities	\$23,063,014
Member Balances	\$40,708,211
Revenues	\$18,585,098
Expenditures	\$19,500,046

Since 95% 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.

On 02/01/05 the District became a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance pool of park district, special recreation associations and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001 the PDRMA Health Program was a separate legal entity formerly know as the Illinois Park Employees Health Network (IPEHN).

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

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

The following represents a summary of PDRMA Health Program's balance sheet at December 31, 2015 and the statement of revenues and expenses for the period ending December 31, 2015.

Assets	\$17,141,280
Liabilities	\$5,510,343
Member Balances	\$11,883,538
Revenues	\$36,926,788
Expenditures	\$34,071,062

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

11. SUBSEQUENT EVENTS:

Management has evaluated subsequent events thru April 28, 2017, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that requires disclosure in the financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

**MEDINAH PARK DISTRICT  
GENERAL FUND  
SCHEDULE OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property taxes	\$ 477,499	\$ 475,380	\$ (2,119)
Personal property replacement taxes	34,000	30,477	(3,523)
Interest earned	463	1,315	852
Commuter parking revenues	124,550	113,945	(10,605)
Donations and grants	5,000	6,255	1,255
ADA improvements - NEDSRA	37,418	31,468	(5,950)
Miscellaneous	<u>5,050</u>	<u>6,196</u>	<u>1,146</u>
Total revenues	<u>683,980</u>	<u>665,036</u>	<u>(18,944)</u>
Expenditures			
Salaries	251,956	239,471	12,485
Contractual services	170,037	134,037	36,000
Materials and supplies	130,561	105,596	24,965
Capital outlay	<u>151,976</u>	<u>91,874</u>	<u>60,102</u>
Total expenditures	<u>704,530</u>	<u>570,978</u>	<u>133,552</u>
Excess (deficiency) of revenues over expenditures	(20,550)	94,058	114,608
Other financing sources (uses)			
Transfers in	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>\$ (20,550)</u>	94,058	<u>\$ 114,608</u>
Fund balance			
Beginning of year		<u>(294,934)</u>	
End of year		<u>\$ (200,876)</u>	

See independent auditor's report.

**MEDINAH PARK DISTRICT  
RECREATION FUND  
SCHEDULE OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property taxes	\$ 323,536	\$ 321,971	\$ (1,565)
Personal property replacement taxes	13,500	12,262	(1,238)
Program revenues	174,633	171,875	(2,758)
Donations/Grants	2,850	1,814	(1,036)
Miscellaneous	<u>22,340</u>	<u>24,844</u>	<u>2,504</u>
Total revenues	<u>536,859</u>	<u>532,766</u>	<u>(4,093)</u>
Expenditures			
Salaries	297,390	288,130	9,260
Contractual services	269,343	226,534	42,809
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>566,733</u>	<u>514,664</u>	<u>52,069</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (29,874)</u>	18,102	<u>\$ 47,976</u>
Fund balance			
Beginning of year		<u>65,495</u>	
End of year		<u>\$ 83,597</u>	

See independent auditor's report.

**MEDINAH PARK DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Bond proceeds	\$ 0	\$ 0	\$ 0
Interest income	<u>250</u>	<u>1,638</u>	<u>1,388</u>
Total revenues	<u>250</u>	<u>1,638</u>	<u>1,388</u>
Contractual services	<u>581,927</u>	<u>358,234</u>	<u>(223,693)</u>
Excess (deficiency) of revenues over expenditures	(581,677)	(356,596)	225,081
Other financing sources (uses)			
Transfers in	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>\$ (581,677)</u>	<u>(356,596)</u>	<u>\$ 225,081</u>
Fund balance			
Beginning of year		<u>796,581</u>	
End of year		<u>\$ 439,985</u>	

See independent auditor's report.

**MEDINAH PARK DISTRICT  
PUBLIC AUDIT FUND  
SCHEDULE OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property taxes	\$ 8,264	\$ 8,192	\$ (72)
Total revenues	<u>8,264</u>	<u>8,192</u>	<u>(72)</u>
Expenditures			
Contractual services	<u>8,600</u>	<u>9,400</u>	<u>(800)</u>
Total Expenditures	<u>8,600</u>	<u>9,400</u>	<u>(800)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (336)</u>	(1,208)	<u>\$ (872)</u>
Fund balance			
Beginning of year		<u>3,636</u>	
End of year		<u>\$ 2,428</u>	

See independent auditor's report.

**MEDINAH PARK DISTRICT  
LIABILITY INSURANCE FUND  
SCHEDULE OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property taxes	\$ 48,056	\$ 47,807	\$ (249)
Total revenues	<u>48,056</u>	<u>47,807</u>	<u>(249)</u>
Expenditures			
Contractual services	50,500	49,597	903
Maintenance and supplies	<u>8,950</u>	<u>4,437</u>	<u>4,513</u>
Total Expenditures	<u>59,450</u>	<u>54,034</u>	<u>5,416</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (11,394)</u>	(6,227)	<u>\$ 5,167</u>
Fund balance			
Beginning of year		<u>11,029</u>	
End of year		<u>\$ 4,802</u>	

See independent auditor's report.

**MEDINAH PARK DISTRICT  
PAVING AND LIGHTING FUND  
SCHEDULE OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property taxes	\$ 6,121	\$ 6,060	\$ (61)
Total revenues	<u>6,121</u>	<u>6,060</u>	<u>(61)</u>
Expenditures			
Contractual services	<u>6,000</u>	<u>4,095</u>	<u>1,905</u>
Total Expenditures	<u>6,000</u>	<u>4,095</u>	<u>1,905</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 121</u>	1,965	<u>\$ 1,844</u>
Fund balance			
Beginning of year		<u>5,613</u>	
End of year		<u>\$ 7,578</u>	

See independent auditor's report.

**MEDINAH PARK DISTRICT  
SPECIAL RECREATION FUND  
SCHEDULE OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property taxes	\$ 119,375	\$ 118,732	\$ (643)
Total revenues	<u>119,375</u>	<u>118,732</u>	<u>(643)</u>
Expenditures			
Special recreation expense	<u>119,375</u>	<u>118,732</u>	<u>643</u>
Total Expenditures	<u>119,375</u>	<u>118,732</u>	<u>643</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 0</u>	0	<u>\$ 0</u>
Fund balance			
Beginning of year		<u>0</u>	
End of year		<u>\$ 0</u>	

See independent auditor's report.

**MEDINAH PARK DISTRICT  
 WORKING CASH FUND  
 SCHEDULE OF REVENUES , EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues	\$ 0	\$ 0	\$ 0
Expenditures	0	0	0
Excess (deficiency) of revenues over expenditures	<u>\$ 0</u>	0	<u>\$ 0</u>
Fund balance			
Beginning of year		<u>26,871</u>	
End of year		<u>\$ 26,871</u>	

See independent auditor's report.

**MEDINAH PARK DISTRICT  
NON - REFERENDUM BOND FUND  
SCHEDULE OF REVENUE , EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Original and Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>With Budget</u>
Revenues			
Property taxes	\$ 144,780	\$ 144,094	\$ (686)
Total revenues	<u>144,780</u>	<u>144,094</u>	<u>(686)</u>
Expenditures			
Bond and interest payments	<u>143,713</u>	<u>143,688</u>	<u>25</u>
Total Expenditures	<u>143,713</u>	<u>143,688</u>	<u>25</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 1,067</u>	406	<u>\$ (711)</u>
Fund balance			
Beginning of year		<u>14,530</u>	
End of year		<u>\$ 14,936</u>	

See independent auditor's report.

**MEDINAH PARK DISTRICT  
 DEFERRED COMPENSATION  
 SCHEDULE OF FUNDING PROGRESS  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2015	\$ 342,833	\$ 951,061	\$ 608,228	36.05%	\$ 391,676	155.29%
12/31/2014	\$ 169,373	\$ 850,285	\$ 680,912	19.92%	\$ 376,732	180.74%
12/31/2013	\$ 280,438	\$ 870,354	\$ 589,916	32.22%	\$ 372,881	158.20%

On a market value basis, the actuarial value of assets as of December 31, 2015 is \$328,729. On a market basis, the funded ratio would be 34.56%.

The actuarial value of assets and accrued liability cover active and inactive members who have a service credit with Medinah Park District. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See independent auditors' report.

**MEDINAH PARK DISTRICT  
SCHEDULE OF RETIREMENT PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2015</u>	<u>2014</u>
<b>Schedule of Contributions</b>		
Actuarially determined contribution	\$ 71,089	\$ 58,815
Contributions in relation to the actuarially determined contribution	<u>71,089</u>	<u>57,414</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 1,401</u>
Covered employee payroll	\$ 391,676	\$ 385,922
Actual contributions as a percentage of covered-employee payroll	18.15%	14.88%
<b>Total pension liability</b>		
Service cost	\$ 44,789	\$ 42,359
Interest	131,169	118,775
Changes of benefit terms	0	0
Difference between expected and actual experience	5,955	11,404
Changes of assumptions	0	81,834
Benefit payments, including refunds of employee contributions	<u>(86,434)</u>	<u>(82,518)</u>
Net change in total pension liability	95,479	171,854
Net change in total pension liability - beginning	<u>1,786,225</u>	<u>1,614,371</u>
Net change in total pension liability - ending	<u>\$ 1,881,704</u>	<u>\$ 1,786,225</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 71,089	\$ 57,414
Contributions - employee	17,625	16,953
Net investment income	5,651	67,404
Benefit payments, including refunds of employee contributions	(86,434)	(82,518)
Other (Net transfer)	<u>98,557</u>	<u>(39,333)</u>
Net change in plan fiduciary net position	106,488	19,920
Plan fiduciary net position - beginning	<u>1,128,987</u>	<u>1,109,067</u>
Plan fiduciary net position - ending	\$ 1,235,475	\$ 1,128,987
Net pension liability	<u>\$ 646,229</u>	<u>\$ 657,238</u>
Plan fiduciary net position as a percentage of total pension liability	65.66%	63.21%
Covered Valuation payroll	\$ 391,676	\$ 376,732
Net pension liability as a percentage of covered valuation payroll	164.99%	174.46%

Note: Only years 2015 and 2014 was available. The Park District will continue to present information until a full 10-year trend is compiled.

See independent auditor's report.

**MEDINAH PARK DISTRICT  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

1. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

The District’s Board of Park Commissioners and staff have participated in several thorough processes that resulted in a very comprehensive budget, maintaining financial stability and strength, while addressing many diverse issues. The process includes, but is not limited to the following:

- A) Approval of Mission and Vision Statement
- B) Review and approve Strategic Directions and Initiatives
- C) Direct staff to draft a budget based on Initiatives and Financial Stability
- D) Study alternatives for objectives and funding
- E) Review and approve funding alternatives and restructuring of specific fund accounts, financial practices and personnel
- F) Draft a budget for presentation to the Board

The budget process follows the following calendar:

September	Staff begins developing budget projections
October	Preliminary staff budget meetings/discussions completed
November/December	First draft of detailed budgets completed and discussed with Director
January	Director and leadership team prepare final budget drafts
February	Tentative budget and appropriation ordinance is present to Board of Park Commissioners
March	Budget and appropriation ordinance is approved

1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS:

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which the contributions are reported.

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% ~approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 – 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.