

December XX, 2019

To the Honorable Kai Swanson, President, Members of the Rock Island County Forest Preserve Commission, and Citizens of Rock Island County Forest Preserve District.

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Rock Island County Forest Preserve District for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Carpentier, Mitchell, Goddard, and Company, LLC, a firm of licensed certified public accountants, have issued an unmodified (“clean”) opinion on the Rock Island County Forest Preserve District financial statements for the fiscal year ended June 30, 2019. The independent auditor’s report is presented as the first component in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Rock Island County Forest Preserve District’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Rock Island County Forest Preserve District was established in 1941 by a referendum vote. The District is a separate body and political subdivision of the State of Illinois. The District has independent taxing powers. Its boundaries are the same as those of Rock Island County. The District's purpose is to maintain and manage natural areas in Rock Island County for preservation, recreation, and education.

The District's day-to-day operations and administrative activities are managed by a Director and staffed by approximately 137, full-time, part-time, and seasonal employees.

The Rock Island County Forest Preserve District consists of five forest preserve areas, which consist of 2,480.335 acres (as per current GIS readings) in Rock Island County. They are: Loud Thunder Forest Preserve, Ralph Martin Conservation Area located in conjunction to Loud Thunder Forest Preserve, Indian Bluff Forest Preserve and Golf Course, Illiniwek Forest Preserve, Dorrance Park and Niabi Zoo. The Rock Island County Forest Preserve District serves approximately 143,477 citizens (Source: U.S. Census Bureau, 2018 Population Estimates) in Rock Island County, but also serves surrounding areas in Illinois and Iowa and tourists from beyond that.

The District is governed by an elected 25-member Board of Commissioners, who also serve, by state statute, as the Rock Island County Board. Approximately one-half of the members are up for re-election in a cycle of 4, 4 & 2 years. The remaining are on a 2, 4 & 4 year cycle. This provides every ten (10) years the entire 25 member commission being up for re-election. The President of the Rock Island County Forest Preserve District is nominated out of those 25 commissioners and elected by majority vote of the commissioners. Policy-making and legislative authority are vested in a governing executive committee consisting of the president and six other commission members. The full Commission meets the third Tuesday of each month usually immediately following the Rock Island County Board meetings or approximately at 6:30PM.

The annual budget serves as the foundation for the Rock Island County Forest Preserve District's financial planning and control. All departments or individual parks of the Forest Preserve District are required to submit requests for appropriation to the government's director, herein after referred to as "the Director". The Director uses these requests as the starting point for developing a

proposed budget. The Director then presents this proposed budget to the Executive Committee for review and recommendation to the Commission. The Commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than November 30th of each year. Thus the budget is developed and proposed 7 to 12 months prior to appropriation usage. The appropriated budget is prepared by fund, department/park, and function. The director may make transfers of appropriations (movement of funds available to spend from one function or department/park to another after the budget is adopted). Any resolutions to increase appropriations must be approved by majority vote of the Forest Preserve Commission. As a matter of courtesy, information, and/or policy transfers of appropriation are also approved by the Forest Preserve Commission. Budget to actual comparisons are provided in this annual audit for each individual governmental fund for which an appropriated annual budget has been adopted.

Local Economy

Rock Island County's economy has historically centered on farm implement manufacturing, U.S. military manufacturing and agriculture. Today 22.3% of Rock Island County's residents are employed in the industry of "Education, Healthcare, and Social Assistance" (U.S. Census, 2017 American Community Survey, 5-Year Estimates). Manufacturing has the second highest percentage of employment of any industry, employing 18.7% of the civilian population 16 years and over (U.S. Census, 2017 American Community Survey, 5-Year Estimates). Currently, the largest employers in the county are:

Company	Product/Service	Employees
Deere & Company (All regional locations)	Farm Machinery	7,240
Rock Island Arsenal	Defense Manufacturing	6,163
Trinity-Unity Point (All regional locations)	Healthcare System	3,954
Tyson Fresh Meats	Food Processing	2,400
Black Hawk College	Community College	1,006
Moline Community School District #40	Elementary/secondary school district	1,002
XPAC	Supply-chain Solutions Provider	1,000
HyVee (all Rock Island County locations)	Grocery Store	920
Walmart (all Rock Island County locations)	Retail	800
Augustana College	Private Liberal Arts & Science College	550

Source: InfoGroup, ReferenceUSA Gov, accessed 2019; individual businesses and organizations.

Note: Major employer data provided are derived from multiple sources with varying levels of accuracy. Bi-State Regional Commission disclaims all responsibility for the accuracy of the data shown herein.

There are 10 traditional public school districts operating within Rock Island County. The County's post-secondary education facilities include Black Hawk College, a two-year public institution; Augustana College, a private four-year institution, and Western Illinois University Quad Cities Campus.

Labor force in Rock Island County peaked in 1980 at 84,434. The 10-year period from 1980-1990 saw total labor force decline by almost 12% to 74,530. Most of this loss is attributed to the farm crisis in the 1980's and the related losses of manufacturing jobs in the farm implement industry. The county's annual average unemployment rate neared 18% in 1983. However, through the 1990's the economy gradually improved with relatively minor setbacks occurring early in the decade. From 2000 to 2007 unemployment rates averaged 5.1%. With the international banking crisis and housing market decline that occurred from 2007 to 2009, the unemployment rates jumped to an average of 8.9%. The highest Rock Island County experienced in the past decade was 9.6% in 2010. Since 2012 the county has experienced a continual improvement in the unemployment rates. As of June 2019, the county's unemployment rate was 4.3%, and the civilian labor force was 72,768 (Illinois Department of Employment Security, Local Area Unemployment Statistics).

Recently: Rock Island County has seen business expansions and infrastructure projects, including the \$28 million Rock Island County Justice Center which concluded the beginning of this fiscal year, as well as the \$16.6 million multi-modal station in Moline, which is currently underway (Source: Bi-State Comprehensive Economic Development Strategy, 2018 Progress Report, Bi-State Regional Commission). Additionally, the Rock Island Arsenal constructed 41 new homes on their military installation (Quad City Times, Jan 2018). Additional recent development includes East Moline's new event center, The Bend, which has opened for business and has plans of including a hotel, retail outlets, restaurants, living spaces, and offices on riverfront adjacent real estate (WQAD, December 2018).

Major Initiatives

Each year, members of the Commission of the Rock Island County Forest Preserve District plan & vote to accomplish building & improvement projects in the District's various parks. Some of these goals require bond agreements to fund and others are funded through increasing areas of revenue. The following are some of the future projects to be accomplished.

Trail Bridge improvement projects at Loud Thunder.

Install a new Fishing Dock on Lake George at Loud Thunder.

Complete final phase of shoreline stabilization at the Lake George boat rental docking area.

Apply an antimicrobial spray to the Shower Building at Illiniwek.

Install a swing-set playground unit at Illiniwek.

Replacement of the irrigation software at Indian Bluff Golf Course.

Construct and renovate cart paths at Indian Bluff Golf Course hole 1 through 9.

Completely replace and develop a Point-of-Sale Software system for the District to integrate with the current financial software system (New World-Tyler Technology system).

Rehabilitate animal exhibits at Niabi Zoo, specifically the Cathouse renovation.

Replace the existing Fuel Tanks at Niabi Zoo.

Specific areas of the Zoo's perimeter fencing and culverts to be renovated.

Great River Trail Restroom and Facility support at Illiniwek.

Improving a River Public Boat Launch in Loud Thunder Forest Preserve.

Construct new 51 new full-service (water, electric, sewer) campsites and two luxury cabins at Loud Thunder Forest Preserve.

Reconstruct multiple acres of native prairie within multiple parks.

Equipment purchases to include a new fairway tractor, an off-road all-terrain vehicle, hydro rake, stump grinder, six way blade, boats and kayaks for the boat rental at Lake George, and brush mower.

Financial Information, Management and Control

Financial Policies: The Forest Preserve District has adopted a 150 day (5 month) spendable (unrestricted) fund balance in the General Fund and Niabi Zoological Preserve Fund. A 180-day (6 months) fund balance will be maintained for the other appropriated Special Revenue Funds, with exception to the District's Liability Fund, to maintain and protect the operating service levels supported by the funds. Instances where an ending audited fund balance (June 30th each year) is above the stated goal, a plan will be developed by the District Director and presented to the Forest Preserve Executive Committee & Commission for review and approval to allow for the spending down of the stated surplus. If the General Fund, Niabi Zoological Preserve Fund or any appropriated Special Revenue Fund drops below the spendable (unrestricted) fund balance as of (June 30th), an action plan will be developed by the District Director for review and approval by the Forest Preserve Executive Committee and Commission to increase the fund balance to the appropriate level.

The District's Liability Fund will strive to maintain a fund balance that will address forecasted claims and expenses, since the District operates as self-funded for worker's compensation and unemployment liability claims, as well as paying premiums for IPARKS insurance or other insurance premiums and risk management consulting for other liability prevention and/or responses.

It is the intent of the District to use all surpluses generated to accomplish the following: meet reserve policies, avoid future debt service, reduce current outstanding debt, and invest in capital improvements which provide greater sustainability, operational savings or greater revenue streams to the District.

Due to the nature of the parks located in this upper Midwest area they are open for business on a seasonal basis during about 7 months of the year. Also, being property tax dependent for most of its funds those revenues are only being received during approximately 7 months per year. Therefore, in order to keep cash at healthy levels year-round the Commission encourages the parks maintain a 6 month reserve. The Forest Preserve Commission has not committed any fund balance amounts for any of its funds.

Long-Term Financial Plans: The District focuses on a continued shift to user fees to off-set annual operational costs in which the District provides services. The District will not be investing in additional services or programs unless there is a direct return to off-set those investments. Property tax rate increases will be used to off-set increases in personnel, paid benefits, capital expenditures and payment of existing debt services. The District continues to invest in upgrading infrastructure

for the services identified for potential growth or to existing amenities which serve a high capacity of users annually. Sometime replacing aging infrastructure is required to maintain its level of services. The District has the ability to incur additional debt service based on the size of the District's EAV but has no intention of acquiring further debt service in the next 5 to 8 years. The economic outlook is currently stable and the population of the County is to remain relatively stable so a significant increase or desire for services is not expected. Any significant increase in service would mostly be in land set aside for conservation. Parks dedicated to conservation will not need significant amounts of infrastructure or support amenities. At this time the District anticipates a balanced fund approach in its General Fund and most Special Revenue Funds. The District Liability Fund will continue to grow its reserves. The District's Capital Project Funds such as the Development of Forests and Construction of Improvements Fund unrestricted balance will be utilized as appropriated annually.

Risk Management: The Forest Preserve District is self-insured for risk exposures related to employment benefits and workers' compensation claims. The Forest Preserve Commission reviewed multiple proposals for risk management and liability coverage programs. The Forest Preserve District has been participating in the IPARKS risk management program since the beginning of fiscal year 2017, which provides automobile liability, wrongful acts (public officials) liability, property coverage, boiler & equipment breakdown, automobile physical damage coverage, and legal liability coverage. These occurrences were all self-insured prior to this program participation. A third party administrator, UMR, performs all health benefit claims handling procedures. In addition, a third party administrator, Employer's Claim Services, has been contracted to perform all workers' compensation claims handling procedures. The human resources office and the civil division of the States Attorney's office of Rock Island County handle all workers' compensation, liability and settlement claims through an Intergovernmental Agreement with Rock Island County. The Commission levies for a liability reserve property tax, recorded as Forest Preserve District Liability Insurance. This is a separate fund from the general fund. This provides for policy premiums, deductibles, claims settlement and loss expenses for the estimated settlement value of worker's compensation, employment benefits, and third party administrators.

Pension and Other Post-employment Benefits: The Forest Preserve District participates in a defined benefit pension plan through the Illinois Municipal Retirement Fund (IMRF). IMRF provides retirement benefits for any employees of the Forest Preserve District whose position normally requires at least 1000 hours of

service per year. These benefits are paid in addition to social security benefits. The Forest Preserve District also provides for postretirement health care benefits to employees under the required provisions of Rock Island County's Health Benefit Plan. Additional information on pension and post-employment benefits can be found in the notes to the financial statements included within this financial report.

Awards & Acknowledgements: The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Rock Island County Forest Preserve District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR has continued to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the staff and park directors of the Rock Island County Forest Preserve District, the Rock Island County Treasurer's Office, the Rock Island County Auditor's Office, and our auditors, Carpentier Mitchell Goddard and Company, LLC. Credit also must be given to the Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the Forest Preserve District's finances.

Respectfully submitted,

Jeffrey Craver, Director
Rock Island County Forest Preserve District

Management's Discussion and Analysis

As management of the Rock Island County Forest Preserve District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Rock Island County Forest Preserve District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages i – vii of this report, and the District's financial statements.

Financial Highlights

- The assets of the Rock Island County Forest Preserve District exceeded its liabilities at the close of the 6/30/19 fiscal year by \$10,291,660 (net position). This net position has decreased \$206,492 from prior year, due mostly to spending a significant portion of the prior year bond issuance proceeds, which therefore, has contributed to the overall decrease of governmental fund balance. Of course, this has increased capital significantly but some disposals of fixed assets created a substantial loss compared to the small prior year gain. Pension related expenses were also a large contributing factor. The balance of unspent bonds for capital growth is most of the total of \$2,531,676 restricted net position. Therefore, again this year of total Net Position, there are no funds available (unrestricted net position) that may be used to meet the government's ongoing obligations to citizens and creditors.
- Deferred outflows of resources totaled \$1,612,656. This is an increase over the prior year total of \$974,864. The first two components consist of pension & OPEB deferred outflows figured from actuarial estimates versus actual experiences. Both increased over the prior year a total of \$672,932. The deferred charge from debt bond refunding of the 2016 issue is the third component which will decrease each year according to the amortization schedule. This year's decrease was \$35,140 from the prior year.
- Deferred inflows of resources totaled \$2,232,185, an increase over prior year of \$135,940. Some of this increase is due to the additional deferred property tax revenue this year over last. However, most of the increase is due to the increase in the actuarial pension expense recognized in future periods in that calculation of pension related deferred inflows.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,387,114 or 64.01 percent of total general fund expenditures of

\$2,167,143. The increase in fund balance of \$75,717 occurred because revenue and expenditures held steady to prior year with the exception of capital expenditures decreasing. There were no assignments or restrictions placed upon General Fund reserves as of the end of the fiscal year 2019.

- As of the close of fiscal year 2019, the Rock Island County Forest Preserve District's governmental funds reported combined ending fund balances of \$6,548,765, a decrease of \$1,657,165 in comparison to the prior year. This decrease was due almost exclusively (\$1,577,969) to the capital expenditures from bond proceeds in the Capital Projects – Loud Thunder Spillway & Camping fund. Many other governmental funds had larger capital expenditures in comparison to the prior year as well. The golf cart fleet was purchased new. Some Niabi Zoo exhibits were up-dated and expanded. Boat docks were repaired and replaced. All of these expenditures caused decreases in fund balances of certain funds. All other funds experienced very small fund balance increases.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Rock Island County Forest Preserve District's basic financial statements. The Forest Preserve District's basic financial statements are comprised of three components: 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 including a statistical section at the end.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Forest Preserve District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Forest Preserve District assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two 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 is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 flow in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees, charges, and grants & donations. The governmental activities of the Forest Preserve District include general government and recreation and operations. The government-wide financial statements include only the Rock Island County Forest Preserve District. There are no component units. The Forest Preserve District is a component unit of Rock Island County.

The government-wide financial statements (Statements 1 & 2) can be found on pages 16-18 of this report.

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 Rock Island County Forest Preserve District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Forest Preserve District are governmental funds.

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 year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of 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 government's near term financing decisions. Both the governmental fund balance sheet (Statement 3) and the governmental fund

statement of revenues, expenditures, and changes in fund balances (Statement 4) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Rock Island County Forest Preserve District maintains 10 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 Fund, Niabi Zoo Fund, Capital Projects-Loud Thunder Spillway & Camping Fund, and Liability Insurance Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements under exhibits 10 & 11 in this report.

The Rock Island County Forest Preserve District adopts an annual appropriation budget for its general fund and its special revenue funds, as well as one fund for capital projects of the District by way of property tax levy. A budgetary comparison statement has been provided for the general fund, and the special revenue funds & capital projects fund to demonstrate compliance with this budget under exhibits 1-4, 9, and 12-14 of this report.

The basic governmental fund financial statements can be found starting on page 19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 25 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 Rock Island County Forest Preserve District's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information regarding pensions can be found in exhibits 5-8 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Rock Island County Forest Preserve District, assets and deferred outflows of resources exceeded liabilities and

deferred inflows of resources by \$10,291,660 at the close of the most recent fiscal year.

By far the largest portion of the Rock Island County Forest Preserve District's total net position (88.83%) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The Rock Island County Forest Preserve District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Rock Island County Forest Preserve District's Net Position 2019

Governmental Activities

	2019	2018
Current and other Assets	8,831,645	10,121,707
Capital Assets	<u>14,078,380</u>	<u>12,580,686</u>
Total Assets	22,910,025	22,702,393
Deferred Outflows of Resources	<u>1,612,656</u>	<u>974,864</u>
Long-term Liabilities Outstanding	10,533,682	9,972,613
Other Liabilities	<u>1,465,154</u>	<u>1,110,247</u>
Total Liabilities	11,998,836	11,082,860
Deferred Inflows of Resources	<u>2,232,185</u>	<u>2,096,245</u>
Net Position:		
Net Investment in Capital Assets	9,141,929	9,000,114
Restricted for Capital Improvements	2,531,676	4,229,061
Unrestricted	<u>(1,381,945)</u>	<u>(2,731,023)</u>
Total Net Position	\$10,291,660	\$10,498,152

A portion of the Rock Island County Forest Preserve District's total net position (24.6%) represents resources, \$2,531,676, that are subject to external restrictions on how they may be used. This restricted amount decreased mostly over the course of the fiscal year due to spending about one-third of the bond proceeds collected in the prior year from the Capital Projects-Loud Thunder Spillway & Camping Fund. Other contributing factors include most other donated funds as well as the proceeds from the Marvin Martin Trust received this year being spent short term within the year mostly on capital assets. Also, the capital asset spending plan was followed to purchase the fleet of golf carts. The newer fund, Development of Forests and Construction Improvements Fund, spent money for the first time on the capital project lighting upgrade at Dorrance Park. The total effect to capital assets was a large increase of \$1,497,694 which helped to offset the decrease to current and other assets.

Principal debt payments have continued on the bond issues for Golf Course improvements and Niabi Zoo Capital Improvements decreasing liability, as well as the interest payments made on the 2017 issue for the Loud Thunder improvements & Spillway repairs, which draws on cash readily available within current and other assets. Deferred outflows of resources from pension expenses increased considerably over the prior year, and OPEB related deferred outflows increased this year. Overall the total was an increase to liabilities of \$915,976.

The weather and therefore attendance was down this year making it hard for fee revenue to keep up with the necessary operating spending for the year. Costs were cut where possible, property tax increases were helpful and interest revenue for invested funds was much improved over the past year. However, most governmental fund balances suffered decreases in fund balance and ultimately contributing to the governmental impact on total net position, which was an overall decrease of \$206,492.

**Rock Island County Forest Preserve District
Changes in Net Position
Governmental Activities**

Revenues:

2019

2018

Program Revenues:

Charges for Services	2,617,650	2,828,584
Operating Grants and Contributions	238,646	234,551
Capital Grants and Contributions	315,926	0

General Revenues:

Property Taxes	3,377,627	3,372,981
Corp personal property Replacement Taxes	191,360	171,963
Hotel/Motel Taxes	295,248	291,293
Interest	155,747	82,597
Gain on Sale of Capital Assets	0	8,904
Miscellaneous	<u>14,386</u>	<u>18,190</u>
Total Revenues	\$7,206,590	\$7,009,063

Expenses:

General and Administration	2,178,989	2,295,575
Zoo	3,383,325	3,302,684
Retirement	775,579	503,541
FISSA	167,889	160,927
Liability Insurance	162,177	181,526
Bike Path	14,718	16,425
Marvin Martin Trust	71,100	70,149
Golf Course Improvement	206,170	88,593
Zoo Capital Improvement	194,997	194,997
Interest on Long-Term Debt	<u>258,138</u>	<u>202,794</u>
Total Expenses	<u>\$7,413,082</u>	<u>\$7,017,211</u>
Change in Net Position	(206,492)	(8,148)
Over (under) expenses		

Net Position Prior Year (restated)	<u>\$10,498,152</u>	<u>\$10,506,300</u>
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Net Position End of Current Year	\$10,291,660	\$10,498,152
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Charges for Services decreased over prior year by \$210,934 indicative of operational seasonal weather conditions keeping patrons attendance lower than in the past year. Operating and capital grants and contributions increased through up-dates of Zoo exhibits and playground and boat rental equipment, and boat docks improvements. Interest revenue was considerably higher with the financing institutions increases in investments rates of return, as well as more cash available to invest from unspent bond proceeds for the year. Property taxes as well as other taxes saw a collective

increase totaling \$27,998. Miscellaneous revenue suffered a nominal decrease. All total revenues were still higher by \$197,527.

The district expenses total was substantially higher than in the prior year by \$395,871. This surpassing the increase in revenues caused the decrease in net position at the end of the year of \$206,492. The higher expenses were mostly due to Niabi Zoo continuing to remodel and change many exhibits to accomplish its goal of meeting Association of Zoos & Aquarium accreditation requirements once again. The Lake George spillway repairs were performed. The Golf Course Improvement governmental activity spent its fund balance on the new fleet of golf carts. Small increases in salaries provided an increase in retirement and FISSA costs. Increased pension costs contributed to the overall retirement expenses increase of \$272,038 alone. The Liability Insurance governmental activity is affected by the reduction of premium due to exemplary member discounts. Bike Path & Zoo Capital Improvement governmental activities have had no new activity, therefore, capital depreciation expenses remains the same year after year. Bond interest expenses are larger now that a full year on the newest 2017 issue was due, which has also contributed to the reduction in net position.

Financial Analysis of the Government's Funds

As noted earlier, the Rock Island County Forest Preserve District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Rock Island County Forest Preserve District's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Rock Island County Forest Preserve District's financing requirements.

As of the end of the current fiscal year, the Rock Island County Forest Preserve District's governmental funds reported combined ending fund balances of \$6,548,765, of which \$1,691,714 is available for spending at the government's discretion.

The Rock Island County Forest Preserve District General Fund's fund balance increased by \$75,717 and Niabi Zoo's fund balance decreased by \$74,406 during the 2019 fiscal year. All revenue categories increased except for property taxes, and rental fees & admission fees in the General fund. Revenues were still able to surpass

total spending. In the Niabi Zoo fund all revenue sources increased except fees and charges. Despite a good increase in total revenue, operational and capital expenditures increases were too high and use of fund balance reserves were needed.

Other significant changes in fund balance include spending of a portion of the prior year bond issue in the Capital Projects-Loud Thunder Spillway & Camping Fund. Spending all trust proceeds to-date in the Marvin Martin Trust fund and the purchase of the fleet of golf carts and other equipment in the Golf Course Improvement depleted both fund's reserves considerably. All other funds' revenues slightly exceeded expenditures and fund balances increased marginally.

Long Term Debt Effects: The Rock Island County Forest Preserve District made their seven interest bond payments and three principle payments for the year July 1, 2018-June 30, 2019 on time. These payments are for the bonds for the Indian Bluff Golf Course Club House built in 2007, which are made with funds generated through the budget and receipt of golf course fees. These bonds were refinanced during the 2015 fiscal year in full. The amounts but not the timing of the payments changed as a result. Also, payments are for the Niabi Zoo Capital Improvement projects made with fees received through various Zoo admissions and purchases. These bonds were also refinanced. This occurred during the reporting fiscal year of 2016. However, due to the amount of principal due, were only partially refinanced. The result is much less interest due over time. The original issue from 2008 was paid in full by fiscal year end 2019. Again timing of all payments remains unchanged. The new bond issue in fiscal year 2018 is for the Capital Improvements to the Loud Thunder Spillway and Camping facilities. The payments are being made with the budget and receipts of additional camping fees at Loud Thunder as well as property tax increases in the General Fund and the Development of Forests & Construction Improvements Fund for the spillway portion. The timing of these payments is on the same schedule as all other bond issues for the District. The Forest preserve will continue to make all bond payments according to their bond payment schedule. For more detailed information regarding long-term debt activity please refer to the Notes to the financial statements #2 – Reconciliation of Government-Wide & Fund Financial Statements and/or #7 – Long-Term Debt.

Budgetary Highlights

General Fund saw a greater than budget time prediction amount of revenues by about \$10,638. The greater than predicted amount of revenues within the General Fund came from property taxes and investment earnings as well as some grant and donation revenues. Loud Thunder and Indian Bluff suffered significant short falls due

to the extreme amount of precipitation that occurred in the fall of 2018 and then in the spring of 2019. Illiniwek was able to make-up for a portion of the golf course and Loud Thunder's budgeted revenue shortfall. Expenses within the General Fund's departments were held lower than final budgeted amounts. The unused funds mainly came from seasonal salaries and operational expenditures that were not utilized during the extreme precipitation periods. Due to limited revenue generation many operational maintenance projects were put on hold as staff closely monitored budgets while revenues were not typical. The lower seasonal salary left the FISSA Fund being proportionally under budget. The Retirement Fund used budgeted funds remaining after its required payments to pay down its early retirement incentive costs with IMRF.

Niabi Zoo experienced revenue greater than expected of \$257,000 due to the Niabi Zoological Society funding several projects at the zoo as well as receiving a bequeath from a private resident. Much of the zoo's fees and charges revenues were below budgeted amounts due to poor attendance figures. Attendance was significantly impacted by the extreme amounts of precipitation received. There was actual expenditures over original budget of \$335,086. Much of this can be attributed to the projects the Niabi Zoological Society reimbursed the District for as well as investments throughout the zoo's infrastructure and exhibits as it attempted to obtain the Association of Zoos & Aquariums (AZA) accreditation. The zoo continues to strive for this accreditation. In doing so, there are benefits and opportunities afforded by being a part of other organizations in the animal world. In order to achieve accreditation the zoo will need a significant amount of support beyond property taxes and earned revenue as the upgrades required to meet AZA's modern zoological standards will require investments significantly greater than the zoo's available resources. There was also actual over original budget spending for marketing and branding costs, veterinary services, and operational supplies within the Zoo's animal care and enrichment department.

Liability Insurance continues to be reported separately as a major fund. This year the budgeted liability expenses were decreased slightly as the insurance premium payments for the IPARKS risk management program received an exemplary member discount. The engagement with IPARKS has provided better management of this fund with the District only providing self-insurance for workers' compensation and unemployment through a third party administrator. Budgeting and therefore, setting the tax levy has become more predictable. As a prior total self-insured entity this fund would experience years of very low expenditures until a major accident/injury occurrence. If one of these resulted in a large settlement a sudden cash strain was placed upon this fund, as well as often the General Fund, to cover costs until

sufficient property taxes are levied and collected. This had happened in recent preceeding years.

Many years ago engineers evaluated the situation of repair or rebuild of the Lake George spillway at Loud Thunder, a Rock Island County Forest Preserve District responsibility. This was necessary to prevent future dam deterioration or cave in. Based upon up-dated information the Commission decided to begin saving for this over \$1 million project through a property tax levy fund, named Development of Forests & Construction Improvements. This fund opened during the 2016 tax collection year. It collects and invests these taxes by budgeting and levying for the revenue. However, this fund will now provide a source of revenue for other capital project expenses of the parks instead of the Spillway project exclusively. This is due to the urgency of the spillway's deterioration becoming apparent and prompting the District's Commission not to wait. It would have taken 5-10 years for this fund to levy a reserve sufficient enough for this project. They instead began seeking a new bond issue for the project. Therefore, in December of 2017 the District received bond proceeds to make repairs to Loud Thunder's Lake George Spillway and Dam and as well, to construct up-to-date camping facilities throughout the park. The spillway and dam work was completed in the spring of 2019 as well as an electrical upgrade to the White Oak RV campground. Additional campground construction and improvements will continue in the upcoming fiscal year. Once completed, the additional campsites shall increase future camping revenue and usage throughout the park. The Development of Forests & Construction Improvements fund's first project therefore became the Dorrance ball diamond lighting project. This lighting has been in need of great repair for many years. Through supplemental fundraising and donation efforts, these were rebuilt in the 2019 fiscal year.

Capitla Assets

Rock Island County Forest Preserve District's Capital Assets

(Net of depreciation)

	2019	2018
Land	270,545	244,392
Buildings & Improvements	5,631,800	5,657,697
Machinery and Equipment	874,144	966,375
Infrastructure	5,629,059	5,597,428
Construction in Progress	<u>1,672,832</u>	<u>114,794</u>
Total	\$14,078,380	\$12,580,686

Additional information on the Forest Preserve District of Rock Island County's capital assets can be found in note 5 of this report.

Economic Factors and Next Year's Budgets

Full-time employee salaries and therefore benefit increases, increases to the minimum wage mostly affecting seasonal salaries, a new District-wide point-of-sale software system, and the payment of bond indebtedness will be major factors in any additional increase in expenditures for the next fiscal year.

There is a compounding effect with full-time salaries in relation to the mandatory minimum wage increases as compression becomes an issue. As any salaries increase so do FICA costs, which are paid from the District's FISSA Fund. In addition to FICA increases, Illinois Municipal Retirement Fund (IMRF) increases, which full-time employees of the District are required to participate in, are funded through the District's Retirement Fund levy. IMRF's board of directors decided to lower its required annual rate of return on investments from 7.5% to 7.25%. This takes effect calendar year of 2020. Due to the rate of return assumption decreasing slightly, it will likely increase the employer contribution rates in 2020 and beyond.

Capital construction of the campgrounds and facilities at the District's Loud Thunder Park from the 2017 Series Bonds proceeds will be a large expense of the District in the following year. Approximately 51 full service campsites will be constructed and 11 primitive sites will be upgraded with water and electrical service. The construction of two rental facilities (cabin type structures) will also begin. The campgrounds and facility rentals are expected to increase revenues and bring a greater demand to the existing boat rental and concession operations.

The Development of Forests and Construction Improvements Fund collects budgeted and levied property tax revenue and will require future budgeted expenses of these capital projects funds. The District intends to construct a continuous cart path at the Indian Bluff Golf Course. This improvement will decrease the number of lost operational days due to precipitation. Niabi Zoo will replace its fleet fuel storage and dispensary system with these funds as well.

Niabi Zoo continues to be concerned in regaining Association of Zoos and Aquariums (AZA) accreditation. On-going necessary expenses are being discussed to aid in meeting this goal. Part of being able to accomplish this requires the zoo to

develop a community partnership in raising money for upgrades to several of its existing exhibits. Efforts to accomplish this goal include following an independent study that was performed to direct the Zoo on ways to maximize revenue generation while minimizing expenses. A Community Advisory Board continues to guide the Zoo and Zoo Director in bringing this to fruition next year and beyond.

Indian Bluff will continue to apply its fees through the Golf Course Improvement Fund to improve the golf course in the future. The pond near hole #18 continues to need extensive care. Staff members are looking at grants and other possible revenue sources to remedy this on-going issue. A large culvert and embankment near the cart path leading to hole #7 needs to be reattached and stabilized. Many of the tees and outdated structures such as the concession, bathroom facilities, and parking lot need to be replaced or rehabilitated. Golf carts are purchased to maintain an operational fleet on a rotating cycle every five to six years. As was stated earlier the most recent fleet acquisition was in 2019.

Illiniwek Park continues to discuss the need for additional amenities for increased visitation and revenue opportunities. In 2020 an antimicrobial paint will be applied in one of the two shower buildings and a swing-set added to the existing playground area. Over the past several years the two shower buildings have been receiving long overdue upgrades and remodeling to the structures and infrastructure within. This will contribute to that goal. Areas throughout the park continue to be managed for conservation with native prairie plantings from available grant revenue. Forest management continues as well in the forested areas of the preserve. Along with the prairie plantings it provides a healthier and more diverse habitat full of wildlife for campers and day use visitors to enjoy.

In addition to the campground and cabin construction Loud Thunder will utilize proceeds of trust funds received in the Marvin Martin Fund to install a bridge on its trail system and an additional fishing dock on Lake George.

At the beginning of fiscal year 2020 an Open Space Land Acquisition & Development (OSLAD) grant was received for use in the District. This amounts to up-to \$400,000. Plans for these funds first consist of constructing a new safer playground area at the Loud Thunder Park and necessary repairs to the Zoo's perimeter fence.

A balanced budget is being planned in each Forest Preserve fund to maintain fund balance with the exception of the District's Liability Insurance Fund. The Liability Insurance Fund has a budgeted surplus with the hope of increasing its fund balance to

accommodate any unforeseen liability. The District remains self-insured for worker's comp and unemployment insurance costs.

Request for Information

This financial report is designed to provide a general overview of the Rock Island County Forest Preserve District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to, April Palmer, RI Co Forest Preserve District Auditor, 1504 3rd Avenue, Rock Island, IL 61201 or e-mail apalmer@co.rock-island.il.us.

PRELIMINARY DRAFT
For Review and Discussion
Subject to Change

***ROCK ISLAND COUNTY
FOREST PRESERVE DISTRICT***

Rock Island, Illinois

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT OF THE
ROCK ISLAND COUNTY FOREST
PRESERVE DISTRICT - A COMPONENT
UNIT OF ROCK ISLAND COUNTY, ILLINOIS***

Year Ended June 30, 2019

Prepared by:
April Palmer, Rock Island County Auditor

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT

June 30, 2019

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ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT

June 30, 2019

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ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT

June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Commission
Forest Preserve District
Rock Island County
Rock Island, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rock Island County Forest Preserve District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Rock Island County Forest Preserve District, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining statements and individual fund budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and individual fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and individual fund budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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.

Moline, Illinois
December XX, 2019

PRELIMINARY DRAFT
For Review and Discussion
Subject to Change

BASIC FINANCIAL STATEMENTS

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities
ASSETS	
Cash	\$ 6,277,836
Property taxes receivable	2,050,649
Replacement taxes receivable	30,617
Accounts receivable	455,853
Accrued interest receivable	10,458
Prepaid items	6,232
Capital assets:	
Land and construction in progress	1,943,377
Other capital assets, net of depreciation	12,135,003
	<hr/>
Total assets	\$ 22,910,025
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows	\$ 1,327,895
OPEB related deferred outflows	80,264
Deferred charge - debt refunding	204,497
	<hr/>
Total deferred outflows of resources	\$ 1,612,656
	<hr/>
LIABILITIES	
Accounts payable	\$ 749,571
Accrued payroll taxes	17,994
Accrued payroll	125,934
Reserve - legal claims	50,000
Accrued expenses and deposits	27,305
Noncurrent liabilities:	
Due within one year	494,350
Due in more than one year	10,533,682
	<hr/>
Total liabilities	\$ 11,998,836
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue - property taxes	\$ 1,333,060
Deferred revenue - pension related deferred inflows	899,125
	<hr/>
Total deferred inflows or resources	\$ 2,232,185
	<hr/>
NET POSITION	
Net investment in capital assets	\$ 9,141,929
Restricted for:	
Capital improvements	2,531,676
Unrestricted	(1,381,945)
	<hr/>
Total net position	\$ 10,291,660
	<hr/>

The accompanying notes are an integral part of these financial statements.

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

FUNCTION/PROGRAMS	Program	
	Expenses	Charges for Services
Governmental activities:		
General and administration	\$ 2,178,989	\$ 828,899
Zoo	3,383,325	1,788,751
Retirement	775,579	-
FISSA	167,889	-
Liability insurance	162,177	-
Bike path	14,718	-
Marvin Martin Trust	71,100	-
Golf course improvement	206,170	-
Zoo improvement	194,997	-
Interest on long-term debt	258,138	-
	<hr/>	<hr/>
Total	<u>\$ 7,413,082</u>	<u>\$ 2,617,650</u>

General revenues
Property taxes
Replacement taxes
Hotel/Motel taxes
Investment earnings
Miscellaneous

Total general revenues

Change in net position

NET POSITION, Beginning

NET POSITION, Ending

Revenues		Net Revenue (Expense) and Changes in Net Position
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
\$ 40,794	\$ 21,075	\$ (1,288,221)
115,674	294,851	(1,184,049)
-	-	(775,579)
-	-	(167,889)
-	-	(162,177)
-	-	(14,718)
82,178	-	11,078
-	-	(206,170)
-	-	(194,997)
-	-	(258,138)
<u>\$ 238,646</u>	<u>\$ 315,926</u>	<u>\$ (4,240,860)</u>

\$ 3,377,627
 191,360
 295,248
 155,747
 14,386

\$ 4,034,368

\$ (206,492)

10,498,152

\$ 10,291,660

The accompanying notes are an integral part of these financial statements.

**ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2019

	<u>General Fund</u>	<u>Zoo Fund</u>	<u>Capital Projects - Loud Thunder Spillway and Camping</u>
ASSETS			
Cash	\$ 1,241,160	\$ 953,211	\$ 2,519,788
Property taxes receivable	769,432	618,091	-
Replacement taxes receivable	30,617	-	-
Accounts receivable	26,930	415,723	-
Accrued interest receivable	1,921	1,091	4,732
Prepaid items	-	6,232	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,070,060</u>	<u>\$ 1,994,348</u>	<u>\$ 2,524,520</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 125,769	\$ 388,873	\$ 25,295
Accrued payroll taxes	-	-	-
Accrued payroll	54,843	71,091	-
Reserve - legal claims	-	-	-
Accrued expenditures and deposits	2,138	4,183	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 182,750</u>	<u>\$ 464,147</u>	<u>\$ 25,295</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 500,196	\$ 401,805	\$ -
FUND BALANCES			
Nonspendable:			
Prepaid items	\$ -	\$ 6,232	\$ -
Restricted for:			
Capital improvements	-	-	2,499,225
Use mandated by tax levy	-	-	-
Assigned	-	1,122,164	-
Unassigned	\$ 1,387,114	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>\$ 1,387,114</u>	<u>\$ 1,128,396</u>	<u>\$ 2,499,225</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,070,060</u>	<u>\$ 1,994,348</u>	<u>\$ 2,524,520</u>

Liability Insurance	Other Governmental Funds	Total Governmental Funds
\$ 307,208	\$ 1,256,469	\$ 6,277,836
167,384	495,742	2,050,649
-	-	30,617
1,503	11,697	455,853
506	2,208	10,458
-	-	6,232
<u>\$ 476,601</u>	<u>\$ 1,766,116</u>	<u>\$ 8,831,645</u>
\$ 13,198	\$ 196,436	\$ 749,571
-	17,994	17,994
-	-	125,934
50,000	-	50,000
-	-	6,321
<u>\$ 63,198</u>	<u>\$ 214,430</u>	<u>\$ 949,820</u>
<u>\$ 108,803</u>	<u>\$ 322,256</u>	<u>\$ 1,333,060</u>
\$ -	\$ -	\$ 6,232
-	32,451	2,531,676
-	1,045,518	1,045,518
-	151,461	1,273,625
304,600	-	1,691,714
<u>\$ 304,600</u>	<u>\$ 1,229,430</u>	<u>\$ 6,548,765</u>
<u>\$ 476,601</u>	<u>\$ 1,766,116</u>	<u>\$ 8,831,645</u>

(Continued)

**ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

June 30, 2019

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

Total fund balance - governmental funds	\$ 6,548,765
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	14,078,380
Liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(7,667,795)
Net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension expense are not reported in government funds.	(1,620,100)
Total other postemployment benefit liability is not reported in governmental funds.	<u>(1,047,590)</u>
Net position of governmental activities	<u>\$ 10,291,660</u>

The accompanying notes are an integral part of these financial statements.

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2019

	General Fund	Zoo Fund
REVENUES		
Property taxes	\$ 1,229,018	\$ 1,028,160
Corporate personal property replacement taxes	191,360	-
Fees and charges	673,512	1,755,775
Interest	26,180	23,094
Contributions, grants and private sources	15,794	410,525
Rent and royalties	155,387	32,976
Hotel/motel tax	-	295,248
Miscellaneous revenues	14,107	279
	<hr/>	<hr/>
Total revenues	\$ 2,305,358	\$ 3,546,057
	<hr/>	<hr/>
EXPENDITURES		
Current:		
General and administration	\$ 1,960,520	\$ -
Zoo	-	2,924,087
Retirement	-	-
FISSA	-	-
Insurance	-	-
Capital expenditures	41,048	374,148
Debt service:		
Principal	155,000	255,000
Interest	10,575	94,228
	<hr/>	<hr/>
Total expenditures	\$ 2,167,143	\$ 3,647,463
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	\$ 138,215	\$ (101,406)
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	\$ 20	\$ -
Transfers from other funds	-	27,000
Transfers to other funds	(62,518)	-
	<hr/>	<hr/>
Total other financing sources (uses)	\$ (62,498)	\$ 27,000
	<hr/>	<hr/>
Net change in fund balances	\$ 75,717	\$ (74,406)
FUND BALANCE - Beginning	1,311,397	1,202,802
	<hr/>	<hr/>
FUND BALANCE - Ending	\$ 1,387,114	\$ 1,128,396
	<hr/>	<hr/>

Capital Projects - Loud Thunder Spillway and Camping	Liability Insurance	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 291,893	\$ 828,556	\$ 3,377,627
-	-	-	191,360
-	-	-	2,429,287
75,960	4,111	26,402	155,747
-	-	107,178	533,497
-	-	-	188,363
-	-	-	295,248
-	-	-	14,386
<u>\$ 75,960</u>	<u>\$ 296,004</u>	<u>\$ 962,136</u>	<u>\$ 7,185,515</u>
\$ 2,313	\$ 786	\$ 159,094	\$ 2,122,713
-	-	-	2,924,087
-	-	326,576	326,576
-	-	167,889	167,889
-	166,990	-	166,990
1,577,969	-	471,875	2,465,040
-	-	-	410,000
154,602	-	-	259,405
<u>\$ 1,734,884</u>	<u>\$ 167,776</u>	<u>\$ 1,125,434</u>	<u>\$ 8,842,700</u>
<u>\$ (1,658,924)</u>	<u>\$ 128,228</u>	<u>\$ (163,298)</u>	<u>\$ (1,657,185)</u>
\$ -	\$ -	\$ -	\$ 20
-	-	35,518	62,518
-	-	-	(62,518)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,518</u>	<u>\$ 20</u>
\$ (1,658,924)	\$ 128,228	\$ (127,780)	\$ (1,657,165)
<u>4,158,149</u>	<u>176,372</u>	<u>1,357,210</u>	<u>8,205,930</u>
<u><u>\$ 2,499,225</u></u>	<u><u>\$ 304,600</u></u>	<u><u>\$ 1,229,430</u></u>	<u><u>\$ 6,548,765</u></u>

(Continued)

ROCK ISLAND COUNTY FOREST PRESERVE 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 June 30, 2019

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

Net change in fund balances - total governmental funds	\$ (1,657,165)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

1,659,493

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.

(161,799)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the statement of long-term debt and related items.

410,000

Pension related expenses not reported as expenditures in governmental funds.

(449,004)

Changes in total other postemployment benefit liability are reported only in the statement of activities.

4,813

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

(12,830)

Change in net position of governmental activities

\$ (206,492)

The accompanying notes are an integral part of these financial statements.

**ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

NOTE 1 – NATURE OF OPERATIONS, REPORTING ENTITY, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - Rock Island County Forest Preserve District provides a broad range of services to citizens including the operation of Niabi Zoo, Loud Thunder Park, Illiniwek Park, Indian Bluff Park and Golf Course, and Dorrance Park.

Reporting Entity - The District is considered a component unit of Rock Island County, Illinois since the County Board is also the Board of Commissioners for the District.

The District is a municipal corporation governed by a 25-member commission. The accompanying financial statements present the District, which has no component units of its own.

Government-Wide and Fund Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the District's activities. For the most part, the effect of interfund activity has been removed from these statements. These statements present summaries of governmental activities for the District.

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 instead as general revenues.

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

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 related cash flows. Property taxes are recognized as revenues in the year for which they are budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

The District reports the following major governmental funds:

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

The *Zoo Fund* accounts for revenue and expenditures related to the operation of Niabi Zoo. Revenue includes property, replacement, hotel/motel taxes, admission fees and charges, contributions and zoo animal sales.

The *Loud Thunder Spillway & Camping Fund* accounts for revenue from bond proceeds and interest to be used for Lake George Spillway and various other improvements at Loud Thunder Preserve.

The *Liability Insurance Fund* accounts for revenue and expenditures related to claims settlement and loss expenses for health benefits, worker's compensation, general liability, and auto liability claims.

The other governmental funds of the District account for and report grants and other resources whose use is restricted or assigned to a particular purpose.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Interfund Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" (i.e., the non-current interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets - Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., roads, levees, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. District policy has set the capitalization threshold for reporting buildings and equipment at \$5,000 and infrastructure at \$15,000.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

Depreciation is recorded on a straight-line basis over the following estimated useful lives:

Type of Asset	Life in Years
Buildings	40
Building improvements	7-30
Infrastructure	20-50
Equipment	5-20

Property Taxes - Property taxes are levied June 1, based on the assessed value of property as of the previous January 1st. Assessed values are an approximation of market value. Property taxes become a lien on the first day of the levy year and may be paid in four equal installments. The installments are due in June, August, September, and November of each year.

Property taxes levied are collected by the County and distributed to the District over a period of time starting approximately sixty days after the levy. In the fund financial statements governmental fund types recognize property tax revenue as it is received due to the long period of time between levy dates and distribution, and the need to match current year revenue with current year expenditures.

Property taxes receivable represents the balance of the 2018 tax levy which is due and collectible in the 2019-20 fiscal year. The amount of those taxes which are collected later than sixty days after year end, are not available for current operations and therefore are shown as deferred inflows of resources.

Compensated Absences - District employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned.

Employees' rights to sick pay accumulate generally at the rate of one day per month of service received on the first day of each month. However, such rights do not vest and can only be paid upon an employee's absence due to any non-service connected sickness or injury. Sick pay is, therefore recorded as an expenditure when paid.

Vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is not reported in governmental funds.

Deferred Outflow/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two types of items that qualify for reporting in this category. The governmental activities reports deferred expenses from two sources: pension and OPEB related deferred outflows and debt refunding. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become expendable.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. The governmental activities report deferred revenues from two sources: property taxes and pension and OPEB related deferred inflows. The funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance/Net Position - Governmental funds equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the District Board, which is considered the District's highest level of decision-making authority. The highest level of formal actions would be ordinances by the District with intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's director through the Board approved fund balance policy of the District. Any residual fund balance of the General Fund and a deficit in other funds, if any, is reported as unassigned.

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

In the government-wide and proprietary fund financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the District's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position - The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$7,667,795 difference are as follows:

Bonds payable	\$ 7,610,000
Less: deferred charge-debt refunding	(204,497)
Plus: issuance premium	194,201
Compensated absences	47,107
Accrued interest	<u>20,984</u>
Total	<u>\$ 7,667,795</u>

Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities - The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,659,516 difference are as follows:

Capital outlay	\$ 2,495,540
Depreciation expense	<u>(836,047)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,659,493</u>

The miscellaneous transactions involving capital assets consist of:

Net book value of equipment traded in	\$ (46,184)
Net book value of exhibits disposed of	(136,690)
Donated land at acquisition value	<u>21,075</u>
Net effect on capital assets	<u>\$ (161,799)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – (Continued)

Another element of that reconciliation states that the “issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$410,000 difference are as follows:

Principal repayments	
General obligation debt	<u>\$ 410,000</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 410,000</u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$(12,831) difference are as follows:

Compensated absences	\$ (1,315)
Accrued interest	1,267
Amortization of Deferred charge-debt refunding	(35,140)
Amortization of bond premium	<u>22,358</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (12,830)</u>

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

The District’s fiscal year begins July 1 and ends on June 30. Its procedures for adopting the annual budget which follows statutory requirements are composed of the following stages:

- 1) At a regular or special call meeting of the District Board in September, the proposed budget for the fiscal year commencing on the following July 1 is submitted. The budget includes proposed expenditures and the means of financing them.
- 2) Prior to July 1, the budget is legally enacted through passage of an appropriation ordinance.
- 3) Transfers of budgeted amounts among object classifications, or any budget increases by means of an emergency or supplemental appropriation, require approval by two-thirds of the District Commissioners. Adjustments made during the year are reflected in the budget information included in the combined financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – (Continued)

- 4) Budgets for the general and special revenue funds are adopted on a basis consistent with U.S. generally accepted accounting principles.
- 5) Expenditures may not legally exceed the total amount of the revised budget appropriations of individual funds.

Formal budgetary integration is employed as a management control device during the year for the General fund, special revenue funds, and the Development of Forest and Construction Improvements fund so to levy property taxes for the fiscal year being budgeted.

The District does not have a legally adopted annual budget for the following funds:

Marvin Martin Trust Fund
Golf Course Improvement Fund
Bike Path Project Fund
Loud Thunder Spillway & Camping Fund

NOTE 4 – CASH AND INVESTMENTS

The Rock Island County Forest Preserve District is covered under the Rock Island County, Illinois investment policy.

As of June 30, 2019, the District's cash and cash equivalents and investments were as follows:

Cash and cash equivalents statement of net position \$ 6,277,836

Authorized Investments - The District is authorized by state statutes and its investment policy to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, or other financial institutions as designated by ordinances, and to invest available funds in direct obligation of, or obligations guaranteed by, the United States Treasury or agencies of the United States, money market mutual funds whose portfolios consist of the government securities, Illinois Funds Money Market Funds and annuities. Rock Island County, Illinois maintains a money market pool for certain funds where the resources have been pooled in order to maximize investment opportunities. Income from investments is allocated between the funds who own shares in the fund.

Interest Rate Risk - Interest rate risk is the risk that changes in 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. As of June 30, 2019, the District held no debt instruments and therefore, was not subject to interest rate risk.

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's monies are held with money market funds which are considered cash equivalents and are unrated.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

Concentration of Credit Risk - The District's investment policy is to apply the prudent-person rule: Investments shall be made utilizing the judgment and care, under the circumstances then present, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering probable safety of their capital as well as the probable income to be derived. As of June 30, 2019, the District held no investments.

Custodial Credit Risk - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investment policy allows the County Treasurer to determine whether collateral will be required of the financial institutions. The policy further requires collateral be held for financial institutions with District deposits in excess of 35% of the capital and surplus of the financial institution. When collateral is required, 110% of the deposit is required and only U.S. Government direct securities, obligations of Federal Agencies or Federal Instrumentalities, obligations of the State of Illinois, obligations of the County of Rock Island, Illinois, obligations of municipalities located within the County, or acceptable collateral as identified in the state statutes may be held as collateral.

As of June 30, 2019, the carrying amount of the District's deposits with financial institutions totaled \$6,265,616 with bank balances totaling \$6,233,498. The bank balances of \$6,233,498 are entirely insured or collateralized with securities held by the District or its agent in the District's name.

Fair Value Investments - The District at times holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the District's mission, the District determines that the disclosures related to these investments only need to be disaggregated by major type. The District chooses a narrative format for the fair value disclosures.

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

The District held no investments requiring fair value measurements as of June 30, 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 244,392	\$ 26,153	\$ - - -	\$ 270,545
Construction in progress	114,794	1,558,038	- - -	1,672,832
Total capital assets, not being depreciated	\$ 359,186	\$ 1,584,191	\$ - - -	\$ 1,943,377
Capital assets, being depreciated:				
Buildings	\$ 9,151,519	\$ 327,760	\$ 214,417	\$ 9,264,862
Machinery and equipment	2,578,296	165,479	68,985	2,674,790
Infrastructure	9,544,718	439,185	- - -	9,983,903
Total capital assets being depreciated	\$ 21,274,533	\$ 932,424	\$ 283,402	\$ 21,923,555
Less accumulated depreciation for:				
Buildings	\$ 3,493,822	\$ 216,966	\$ 77,726	\$ 3,633,062
Machinery and equipment	1,611,921	211,527	22,802	1,800,646
Infrastructure	3,947,290	407,554	- - -	4,354,844
Total accumulated depreciation	\$ 9,053,033	\$ 836,047	\$ 100,528	\$ 9,788,552
Total capital assets, being depreciated, net	\$ 12,221,500	\$ 96,377	\$ 182,874	\$ 12,135,003
Governmental activities, capital assets, net	\$ 12,580,686	\$ 1,680,568	\$ 182,874	\$ 14,078,380

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

Governmental activities:	
General and administration	\$ 199,664
Zoo	299,492
Bike path	14,718
Marvin Martin Trust	49,326
Zoo improvement	194,997
Golf course improvement	77,850
Total depreciation expense – governmental activities	\$ 836,047

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – UNEARNED REVENUE

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Unearned property tax	<u>\$ 1,333,060</u>
Total unearned revenue for governmental funds	<u>\$ 1,333,060</u>

NOTE 7 – LONG-TERM DEBT

As of June 30, 2019, the outstanding long-term debt of the District was as follows:

General Obligation Bonds - The general obligation bonds (alternate revenue source) from an original issue dated December 1, 2008 were paid off during the fiscal year ending June 30, 2019.

General obligation refunding bonds (alternate revenue source) totaling \$3,055,000, remain outstanding from an original issue of \$3,125,000 dated June 29, 2016. It is the intent of District officials to service this debt from revenue from the Niabi Zoo Fund.

Principal is due annually on December 1. Interest is due semi-annually on June 1 and December 1.

The annual debt service requirements on this debt are as follows:

Year Ending June 30	Interest Rate	Principal	Interest	Total
2020	2.50%	\$ 265,000	\$ 85,637	\$ 350,637
2021	2.50	275,000	78,888	353,888
2022	3.00	285,000	71,175	356,175
2023	3.00	290,000	62,550	352,550
2024	3.00	300,000	53,700	353,700
2025	3.00	305,000	44,625	349,625
2026	3.00	320,000	35,250	355,250
2027	3.00	325,000	25,575	350,575
2028	3.00	340,000	15,600	355,600
2029	3.00	350,000	5,250	355,250
Total		<u>\$ 3,055,000</u>	<u>\$ 478,250</u>	<u>\$ 3,533,250</u>

General obligation bonds (alternative revenue source) totaling \$4,280,000 remain outstanding from an original issue of \$4,280,000 dated December 14, 2017. It is the intent of District officials to service this debt from revenue from the General Fund.

Principal is due annually on December 1. Interest is due semi-annually on June 1 and December 1.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

The annual debt service requirements on this debt are as follows:

Year Ending June 30	Interest Rate	Principal	Interest	Total
2020	0.00%	\$ - - -	\$ 154,602	\$ 154,602
2021	0.00	- - -	154,603	154,603
2022	3.00	170,000	152,052	322,052
2023	3.00	200,000	146,503	346,503
2024	3.00	205,000	140,427	345,427
2025	3.00	210,000	134,203	344,203
2026	3.00	215,000	127,827	342,827
2027	3.00	225,000	121,228	346,228
2028	3.00	230,000	114,402	344,402
2029-2033	4.00	1,275,000	431,263	1,706,263
2034-2035	3.65	585,000	98,826	683,826
2036-2038	4.00	965,000	58,900	1,023,900
Total		<u>\$ 4,280,000</u>	<u>\$ 1,834,836</u>	<u>\$ 6,114,836</u>

General Obligation Debt Certificates - General obligation refunding debt certificates totaling \$275,000, remain outstanding from an original issue of \$875,000 dated September 30, 2014. It is the intent of District officials to service this debt from revenue from the General Fund.

Principal is due annually on December 1. Interest is due semi-annually on June 1 and December 1.

The annual debt service requirements on this debt are as follows:

Year Ending June 30	Interest Rate	Principal	Interest	Total
2020	3.00%	\$ 160,000	\$ 5,850	\$ 165,850
2021	3.00	115,000	1,725	116,725
Total		<u>\$ 275,000</u>	<u>\$ 7,575</u>	<u>\$ 282,575</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

Long-term liability activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 8,020,000	\$ - - -	\$ (410,000)	\$ 7,610,000	\$ 425,000
Less deferred amounts					
Issuance premium	216,559	- - -	(22,358)	194,201	22,243
Total bonds payable	<u>\$ 8,236,559</u>	<u>\$ - - -</u>	<u>\$ (432,358)</u>	<u>\$ 7,804,201</u>	<u>\$ 447,243</u>
Compensated absences	\$ 45,792	\$ 47,107	\$ (45,792)	\$ 47,107	\$ 47,107
Net pension liability	1,038,256	1,010,614	- - -	2,048,870	- - -
Total other postemployment benefit liability	<u>1,130,156</u>	<u>- - -</u>	<u>(2,302)</u>	<u>1,127,854</u>	<u>- - -</u>
Governmental activity long- term liabilities	<u>\$ 10,450,763</u>	<u>\$ 1,057,721</u>	<u>\$ (480,452)</u>	<u>\$ 11,028,032</u>	<u>\$ 494,350</u>

Compensated absences will be paid from the General Fund and Zoo Special Revenue Fund. Net pension liability will be paid from the Illinois Municipal Retirement Fund and total other postemployment benefit liability will be paid from the Liability Insurance Fund.

Legal Debt Margin – As of June 30, 2019, the general obligation debt issued by the District did not exceed its legal debt margin as shown by the computation that follows:

January 2019 assessed valuation	<u>\$ 2,660,279,396</u>
Debt limit (2.875% of assessed value)	<u>\$ 76,483,033</u>
Debt applicable to limit:	
General obligation bonds	\$ 8,020,000
Less: amount set aside for repayment of general obligation debt	<u>(410,000)</u>
Total net debt applicable to limit	<u>\$ 7,610,000</u>
Legal debt margin	<u>\$ 68,873,033</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no interfund balances as of June 30, 2019.

The composition of interfund transfers as of June 30, 2019 is as follows:

	General Fund	Total
Transfer in:		
Niabi Zoo	\$ 27,000	\$ 27,000
Golf Course Improvement	35,518	35,518
Total	<u>\$ 62,518</u>	<u>\$ 62,518</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 – ILLINOIS MUNICIPAL RETIREMENT FUND PLAN DESCRIPTION

IMRF Plan Description - Rock Island County Forest Preserve District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. Rock Island County Forest Preserve District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided - IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms - As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	22
Active plan members	<u>35</u>
Total	<u>100</u>

Contributions - As set by statute, Rock Island County Forest Preserve District's Regular and ECO Plan Members are required to contribute 4.5% and 7.5%, respectively, of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Rock Island County Forest Preserve District's annual contribution rate for calendar year 2018 was 18.16% and 0% for Regular and ECO Plans, respectively. For the fiscal year ended June 30, 2019, Rock Island County Forest Preserve District contributed \$326,576 and \$0 to the Regular and ECO Plans, respectively. The Rock Island County Forest Preserve also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - Rock Island County Forest Preserve District's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The following are the methods and assumptions used to determine total pension liability at December 31, 2018:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

- Salary Increases were expected to be 3.39% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-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 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic equity	37%	7.15%
International equity	18	7.25
Fixed income	28	3.75
Real estate	9	6.25
Alternative investments	7	3.20-8.50
Cash equivalents	1	2.50
Total	<u>100%</u>	

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Single Discount Rate - A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.71%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2017	\$ 8,770,864	\$ 7,732,608	\$ 1,038,256
Changes for the year:			
Service cost	\$ 144,214	\$ - - -	\$ 144,214
Interest on the total pension liability	645,046	- - -	645,046
Changes of benefit terms	- - -	- - -	- - -
Differences between expected and actual experience of the total pension liability	(430,788)	- - -	(430,788)
Changes of assumptions	243,080	- - -	243,080
Contributions - employer	- - -	309,636	(309,636)
Contributions - employees	- - -	76,727	(76,727)
Net investment income	- - -	(452,764)	452,764
Benefit payments, including refunds of employee contributions	(484,716)	(484,716)	- - -
Other (net transfer)	- - -	(342,661)	342,661
Total changes for the year	\$ 116,836	\$ (893,778)	\$ 1,010,614
Balances at December 31, 2018	\$ 8,887,700	\$ 6,838,830	\$ 2,048,870

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Total pension liability	\$ 9,997,531	\$ 8,887,700	\$ 7,984,779
Plan fiduciary net position	6,838,830	6,838,830	6,838,830
Net pension liability	<u>\$ 3,158,701</u>	<u>\$ 2,048,870</u>	<u>\$ 1,145,949</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - For the year ended June 30, 2019, Rock Island County Forest Preserve District recognized pension expense of \$775,579. At June 30, 2019, Rock Island County Forest Preserve District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods		
Differences between expected and actual experience	\$ 90,148	\$ 329,103
Changes of assumptions	186,651	120,857
Net difference between projected and actual earnings on pension plan investments	<u>917,745</u>	<u>449,165</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 1,194,544</u>	<u>\$ 899,125</u>
Pension contributions made subsequent to the measurement date	<u>\$ 133,351</u>	<u>\$ - - -</u>
Total deferred amounts related to pensions	<u>\$ 1,327,895</u>	<u>\$ 899,125</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

\$133,351 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2019	\$ 127,181
2020	(33,722)
2021	9,204
2022	192,756
2023	- - -
Thereafter	- - -
Total	<u>\$ 295,419</u>

NOTE 10 – SELF-INSURANCE

The District is included in the County's risk management program which is self-insured for risk exposures related to health benefits and worker's compensation claims.

The District records risk management activities in its liability insurance fund. Claims settlement and loss expenses are accrued in the liability fund for the estimated settlement value of health benefits and worker's compensation claims reported and unreported, arising from incidents during the year. As of June 30, 2019, the amount of liabilities recorded for estimated claim settlements for health benefits and worker's compensation was \$50,000.

Changes in reported liabilities during fiscal 2019 and 2018 were:

	Self-Insurance	
	2019	2018
Unpaid claims, beginning of year	\$ 50,000	\$ 50,000
Claim expense and changes in estimates	10,102	20,177
Claim payments	<u>(10,102)</u>	<u>(20,177)</u>
Unpaid claims, end of year	<u>\$ 50,000</u>	<u>\$ 50,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – OTHER EMPLOYMENT BENEFITS

Plan Description - In addition to providing the pension benefits described, the District provides postemployment health care benefits (OPEB) for retired employees through the Rock Island County, Illinois single-employer defined benefit plan. The benefit level, employee contributions and employer contributions are governed by the County and can be amended by the County through its health care plan document and union contracts. The plan does not issue a stand-alone financial report.

Benefits Provided - All Rock Island Forest Preserve District employees and eligible dependents hired on or after January 1, 2001, may continue coverage under the active employee group health plan on an optional basis providing: (1) they qualify for immediate receipt of retirement pension benefits from IMRF/SLEP, (2) coverage was in effect under the group health plan immediately preceding the day on which the retirement begins, and (3) the employee hired on or after January 1, 2001 has participated in the group health insurance plan, either as the employee or as the employed spouse, for at least eight (8) years or if hired on or after January 1, 2011 has participated in the group health insurance plan, either as the employee or as the employed spouse, for at least ten (10) years. Individuals hired before January 1, 2001, can receive benefits as provided by the policy in effect immediately prior to the current plan. Employees retiring under the Early Retirement Incentive Program between June 1, 1997 and June 1, 1998 may continue coverage under the active employee Group Health Plan as provided for other retirees with a premium reduction of 50% as provided by the incentive program.

Membership - At June 30, 2019, membership consisted of:

Retirees and beneficiaries currently receiving benefits	5
Terminated employees entitled to benefits but not yet receiving them	0
Active employees covered	<u>33</u>
Total	<u><u>38</u></u>

Funding Policy - There is no formal or informal funding policy that exists for the postretirement plan at this time, as the OPEB liabilities are currently an unfunded obligation.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – (Continued)

The County determines contribution percentages between the District and employees. Premiums for retirees will be calculated by the following formula: The Retiree will receive 2% premium subsidy per year of IMRF/SLEP service up to a maximum of 50% of the full premium with the balance of the premium paid by the retiree. This service credit will be limited to those years earned while employed by Rock Island County Forest Preserve District. Current monthly health insurance premiums of the District are:

Coverage Type	Rate	Employer Cost
Pre-Retirement		
Base Plan		
Single	\$ 619.90	\$ 542.90
Single Plus One	1,601.60	1,428.30
Single Plus Two	1,601.60	1,373.20
Family	1,601.60	1,332.10
Option 1 Plan		
Single	\$ 584.20	\$ 542.90
Single Plus One	1,509.20	1,428.30
Single Plus Two	1,509.20	1,373.20
Family	1,509.20	1,332.10
Retirement/Cobra Rates		
Base - Single	\$ 632.30	TBD
Base - Family	1,633.63	TBD
Option 1 - Single	595.88	TBD
Option 1 - Family	1,539.38	TBD

Contributions - There is no determination of an actuarially determined contribution (ADC) and normal cost, as the total OPEB liabilities are currently an unfunded obligation. The District does not have any assets accumulated in a trust dedicated exclusively to the payment of OPEB benefits. Therefore, the Total OPEB Liability is currently an unfunded obligation with benefit payments determined on a pay-as-you-go basis. Contributions are made as benefit payments become due without accumulating assets for future liabilities.

Total OPEB Liability - The District's total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – (Continued)

The total OPEB liability, after considering the sharing of benefit-related costs with inactive Retiree members, was determined by an actuarial valuation performed as of June 30, 2018 using the following actuarial methods and assumptions:

Actual Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Salary Increase Rate per annum	4.0%
Discount Rate per annum, based on the S&P Municipal Bond 20-year High Grade Index as of June 30, 2019	3.23%
Expected long-term rate of return	N/A
Healthcare Cost Trend Rates	7.50% in 2018 graded down to 5.0% over 5 years
Mortality Rate	IMRF Retirement Rates
Termination Rate	IMRF Termination Rates

Changes in Total OPEB Liability:

Balance at July 1, 2018	<u>\$ 1,130,156</u>
Changes for the year:	
Service cost	\$ 40,161
Interest	35,290
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefits paid	<u>(77,753)</u>
Total net changes	<u>\$ (2,302)</u>
Balance at June 30, 2019	<u><u>\$ 1,127,854</u></u>

Rate Sensitivity - The following is a sensitive analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 3.23% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.23%) or 1 percentage point higher (4.23%) than the current rate:

	1% Decrease (2.23%)	Current Discount Rate (3.23%)	1% Increase (4.23%)
Total OPEB Liability	\$ 1,210,865	\$ 1,127,854	\$ 1,050,997

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – (Continued)

Below is a table illustrating the sensitivity of the total OPEB liability to the healthcare trend rate assumption.

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 1,027,403	\$ 1,127,854	\$ 1,245,882

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2019 the District recognized OPEB expense of \$75,451. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in OPEB expense in future periods		
Differences between expected and actual experience	\$ - - -	\$ - - -
Changes of assumptions	- - -	- - -
Net difference between projected and actual earnings on OPEB plan investments	- - -	- - -
Total deferred amounts to be recognized in OPEB expense in future periods	\$ - - -	\$ - - -
OPEB contributions made subsequent to the measurement date	\$ 80,264	\$ - - -
Total deferred amounts related to OPEB	\$ 80,264	\$ - - -

\$80,264 reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

NOTE 12 – TAX ABATEMENTS

Under Tax Increment Financing (TIF) agreements entered by other taxing districts within Rock Island County, Illinois, Rock Island County Forest Preserve District's 2018 property tax revenues were reduced by \$254,329.

Included in the District's June 30, 2019 property tax revenues were TIF redistribution receipts of \$15,419 from Village of Milan, Illinois, \$7,083 from City of East Moline, Illinois, and \$7,531 from the City of Rock Island, Illinois.

Due to property tax negotiations with Exelon (a Quad Cities power station) approved by the Rock Island County Board, Rock Island County Forest Preserve District's 2018 property tax distributions were reduced by \$7,394.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 – COMMITMENTS

Intergovernmental Agreement for Water Main Extension – The District Board approved a Water Extension Agreement between Rock Island County Forest Preserve District and the Village of Coal Valley, Illinois. It states construction of the project will begin in the spring of 2023 and costs are to be carried by each party. The Agreement further states that the Niabi Zoo, which is part of Rock Island County Forest Preserve District, will be responsible for 30% of the cost of the 12 inch water main extension that will start at the connection to the existing water main at 12020 Niabi Zoo Road, and extend the length of the property that is owned by the District. The net amount to be paid by the District is not to exceed \$400,000.00.

Loud Thunder Projects – The District Board approved at its June 2019 meeting the low bids for the Loud Thunder Campground Improvements Project of \$2,266,767, and the Loud Thunder Playground Project of \$126,433.

Subsequent Event – On July 16, 2019, the Board approved the low bid for the Indian Bluff Cart Path Project of \$120,000.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements. Such information includes:

Budgetary Comparison Schedules for the following:

General Fund

Zoo Fund

Liability Insurance Fund

Notes to the Required Supplementary Information

Schedules of Employer Contribution – Pension and Other Post Employment Benefit Plans-IMRF

Schedules of Employer Contribution – Pension and Other Post Employment Benefit Plans-OPEB

Schedule of Changes in the Net Pension Liability and Related Ratios

Schedule of Changes in Total OPEB Liability and Related Ratios

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,121,275	\$ 1,133,775	\$ 1,229,018	\$ 95,243
Replacement taxes	212,000	176,000	191,360	15,360
Fees and charges:				
Indian Bluff fees	545,100	545,100	470,770	(74,330)
Illiniwek fees	124,995	140,995	143,264	2,269
Loud Thunder fees	62,650	62,650	59,478	(3,172)
Interest	5,150	12,650	26,180	13,530
Rents and royalties	197,100	197,100	155,387	(41,713)
Contributions, grants, and private sources	200	9,200	15,794	6,594
Miscellaneous revenues	17,250	17,250	14,107	(3,143)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ 2,285,720	\$ 2,294,720	\$ 2,305,358	\$ 10,638
EXPENDITURES				
Current:				
General and Administrative:				
Salaries and wages	\$ 1,081,165	\$ 1,042,924	\$ 1,028,776	\$ 14,148
Personal benefits	267,919	261,977	257,818	4,159
Uniforms and clothing	-	6,200	3,287	2,913
Training and education	11,265	6,585	3,205	3,380
Office supplies	1,255	1,255	436	819
Operating supplies	146,580	136,090	133,408	2,682
Repairs and maintenance supplies	44,500	52,665	50,849	1,816
Small tools and equipment	17,450	21,585	14,693	6,892
Food purchases	78,400	69,445	68,470	975
Books and periodicals	-	45	45	-
Professional services	89,834	113,043	111,542	1,501
Communications	20,092	27,072	27,034	38
Transportation	3,625	5,126	4,601	525
Publishing, printing, and duplicating	16,600	8,460	3,449	5,011
Public utility services	53,200	55,700	51,810	3,890
Repairs and maintenance	39,150	40,886	37,721	3,165
Rentals	6,010	7,327	6,737	590
Miscellaneous	35,299	37,604	35,074	2,530
Administration - transfers to County	122,000	122,016	121,565	451
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total general government	\$ 2,034,344	\$ 2,016,005	\$ 1,960,520	\$ 55,485

(Continued)

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES (Continued)				
Capital expenditures	\$ 53,000	\$ 47,171	\$ 41,048	\$ 6,123
Debt service:				
Principal	\$ 155,000	\$ 155,000	\$ 155,000	\$ -
Interest	10,575	10,575	10,575	-
Total debt service	\$ 165,575	\$ 165,575	\$ 165,575	\$ -
Total expenditures	\$ 2,252,919	\$ 2,228,751	\$ 2,167,143	\$ 61,608
Excess of revenues over expenditures	\$ 32,801	\$ 65,969	\$ 138,215	\$ 72,246
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	\$ (27,369)	\$ (65,970)	\$ (62,518)	\$ 3,452
Sale of capital assets	-	-	20	20
Total other financing sources (uses)	\$ (27,369)	\$ (65,970)	\$ (62,498)	\$ 3,472
Net change in fund balance	<u>\$ 5,432</u>	<u>\$ (1)</u>	\$ 75,717	<u>\$ 75,718</u>
FUND BALANCE, Beginning			<u>1,311,397</u>	
FUND BALANCE, Ending			<u>\$ 1,387,114</u>	

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ZOO FUND

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 1,000,315	\$ 1,000,315	\$ 1,028,160	\$ 27,845
Fees and charges	1,990,321	1,863,504	1,755,775	(107,729)
Interest	5,600	5,600	23,094	17,494
Rents and royalties	20,000	20,000	32,976	12,976
Contributions, grants, and private sources	-	383,817	410,525	26,708
Hotel/motel tax	295,000	295,000	295,248	248
Miscellaneous	-	-	279	279
Total revenues	<u>\$ 3,311,236</u>	<u>\$ 3,568,236</u>	<u>\$ 3,546,057</u>	<u>\$ (22,179)</u>
Current:				
Salaries and wages	\$ 1,281,084	\$ 1,261,560	\$ 1,261,559	\$ 1
Personal benefits	273,924	257,640	257,639	1
Uniforms and clothing	-	5,758	5,757	1
Training and education	13,491	4,863	4,862	1
Office supplies	1,300	1,561	1,559	2
Operating supplies	402,152	432,556	432,555	1
Repairs and maintenance supplies	56,050	38,514	38,512	2
Small tools and equipment	30,745	30,059	30,022	37
Food purchases	9,335	18,686	18,684	2
Books and periodicals	2,000	1,294	1,293	1
Professional services	244,764	398,427	398,424	3
Communications	13,587	12,057	12,055	2
Transportation	19,855	9,661	9,659	2
Publishing, printing, and duplicating	42,690	9,597	9,596	1
Public utility services	118,900	115,732	115,463	269
Repairs and maintenance	54,950	70,242	70,241	1
Rentals	8,000	12,563	12,563	-
Miscellaneous	36,244	30,682	30,681	1
Administration - transfers to County	203,750	212,963	212,963	-
Capital expenditures	150,328	412,609	374,148	38,461
Total general government	<u>\$ 2,963,149</u>	<u>\$ 3,337,024</u>	<u>\$ 3,298,235</u>	<u>\$ 38,789</u>

(Continued)

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ZOO FUND

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES (Continued)				
Debt services:				
Principal	\$ 259,840	\$ 255,000	\$ 255,000	\$ -
Interest	89,388	94,228	94,228	-
Total debt services	<u>\$ 349,228</u>	<u>\$ 349,228</u>	<u>\$ 349,228</u>	<u>\$ -</u>
Total expenditures	<u>\$ 3,312,377</u>	<u>\$ 3,686,252</u>	<u>\$ 3,647,463</u>	<u>\$ 38,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,141)</u>	<u>\$ (118,016)</u>	<u>\$ (101,406)</u>	<u>\$ 16,610</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,000</u>	<u>\$ 27,000</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,000</u>	<u>27,000</u>
Net change in fund balance	<u><u>\$ (1,141)</u></u>	<u><u>\$ (118,016)</u></u>	<u>\$ (74,406)</u>	<u><u>\$ 43,610</u></u>
FUND BALANCE, Beginning			<u>1,202,802</u>	
FUND BALANCE, Ending			<u><u>\$ 1,128,396</u></u>	

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LIABILITY INSURANCE FUND
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 300,052	\$ 300,052	\$ 291,893	\$ (8,159)
Interest and miscellaneous	<u>280</u>	<u>280</u>	<u>4,111</u>	<u>3,831</u>
Total revenues	<u>\$ 300,332</u>	<u>\$ 300,332</u>	<u>\$ 296,004</u>	<u>\$ (4,328)</u>
EXPENDITURES				
Current:				
Lost time	\$ -	\$ 5,000	\$ 786	\$ 4,214
Insurance	<u>193,000</u>	<u>188,000</u>	<u>166,990</u>	<u>21,010</u>
Total expenditures	<u>\$ 193,000</u>	<u>\$ 193,000</u>	<u>\$ 167,776</u>	<u>\$ 25,224</u>
Excess of revenues over expenditures	<u>\$ 107,332</u>	<u>\$ 107,332</u>	\$ 128,228	<u>\$ 20,896</u>
FUND BALANCE, Beginning			<u>176,372</u>	
FUND BALANCE, Ending			<u>\$ 304,600</u>	

**ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
BUDGET COMPARISONS**

June 30, 2019

I. BUDGETARY INFORMATION

The District's fiscal year begins July 1 and ends on June 30. Its procedures for adopting the annual budget which follows statutory requirements are composed of the following stages:

- 1) At a regular or special call meeting of the District's Commission in September, the proposed budget for the fiscal year commencing on the following July 1 is submitted. The budget includes proposed expenditures and the means of financing them.
- 2) Prior to July 1, the budget is legally enacted through passage of an appropriation ordinance.
- 3) Transfers of budgeted amounts among object classifications, or any budget increases by means of an emergency or supplemental appropriation, require approval by 2/3 of the District Commissioners. Adjustments made during the year are reflected in the budget information included in the combined financial statements.
- 4) Budgets for the general and special revenue funds are adopted on a basis consistent with U.S. generally accepted accounting principles.
- 5) Expenditures may not legally exceed the total amount of the revised budget appropriations of individual funds.

Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds. All annual appropriations lapse at the end of the fiscal year.

**ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION ON PENSION AND
OTHER POST EMPLOYMENT BENEFIT PLANS EMPLOYER CONTRIBUTIONS**
Last Ten Fiscal Years**

IMRF -

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2015	\$ 168,706	\$ 255,930	\$ (87,224)	\$ 1,336,818	19.14%
2016	194,708	189,371	5,337	1,401,782	13.51
2017	200,686	257,321	(56,635)	1,455,301	17.68
2018	303,412	307,534	(4,122)	1,643,785	18.71
2019	309,636	326,576	(16,940)	1,729,838	18.88

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2018 Contribution Rate*

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 contributions are reported.

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method: Aggregate entry age normal
Amortization Method: Level percentage of payroll, closed
Remaining Amortization Period: Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, ECO groups): 25-year closed period.
Early Retirement Incentive Plan Liabilities: a period of up to 10 years selected by the Employer upon adoption of ERI.
SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (three employers were financed over 29 years).
Asset Valuation Method: 5 year smoothed market; 20% corridor
Wage Growth: 3.50%
Price Inflation: 2.75%
Salary Increases: 3.75% to 14.50%, including inflation
Investment Rate of Return: 7.50%
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 of the period 2011 to 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 adjustment 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.

Other Information:

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2016, actuarial valuation; note two year lag between valuation and rate setting.

**Fiscal year June 30, 2015 is the first year of GASB Statement No. 68 implementation. The table will build prospectively from 2015.

**ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION ON PENSION AND
OTHER POST EMPLOYMENT BENEFIT PLANS EMPLOYER CONTRIBUTIONS**
Last Ten Fiscal Years**

OPEB -

Fiscal Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2018	N/A	\$ - - -	N/A	\$ 1,294,891	0.0%
2019	N/A	- - -	N/A	1,643,836	0.0

Notes to Schedule:

N/A – For Rock Island County Forest Preserve District, there is no determination of an ADC and normal cost, as the total OPEB liabilities are currently an unfunded obligation. The District does not have a trust dedicated exclusively to the payment of OPEB benefits. Therefore, the total OPEB liability is currently an unfunded obligation with benefit payments determined on a pay-as-you-go basis. Contributions made as benefit payments become due without accumulating assets for future liabilities. The District made contributions from other resources in the current year in the amount of \$77,753.

**Fiscal year June 30, 2018 is the first year of GASB Statement No. 75 implementation. The table will build prospectively from 2018.

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years*

IMRF -

Calendar Year Ended December 31,	2018	2017
TOTAL PENSION LIABILITY		
Service cost	\$ 144,214	\$ 133,326
Interest	645,046	640,223
Changes of benefit terms	-	-
Differences between expected and actual experience of the total pension liability	(430,788)	20,537
Changes of assumptions	243,080	(234,757)
Benefit payments, including refunds of employee contributions	(484,716)	(516,215)
Net change in pension liability	\$ 116,836	\$ 43,114
Total pension liability - beginning	8,770,864	8,727,750
Total pension liability - ending	\$ 8,887,700	\$ 8,770,864
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 309,636	\$ 303,412
Contributions - employees	76,727	70,854
Net investment income	(452,764)	1,247,807
Benefit payments, including refunds of employee contributions	(484,716)	(516,215)
Other (net transfer)	(342,661)	(200,455)
Net change in plan fiduciary net position	\$ (893,778)	\$ 905,403
Plan fiduciary net position - beginning	7,732,608	6,827,205
Plan fiduciary net position - ending	\$ 6,838,830	\$ 7,732,608
Net pension liability	\$ 2,048,870	\$ 1,038,256
Plan fiduciary net position as a percentage of the total pension liability	76.95%	88.16%
Covered valuation payroll	\$ 1,705,045	\$ 1,574,530
Net pension liability as a percentage of covered valuation payroll	120.17%	65.94%

* IMRF fiscal year December 31, 2014 is the first year of GASB Statement No. 68 implementation. The table will build prospectively from 2014.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 122,307	\$ 137,329	\$ 165,733
618,130	554,650	521,737
-	-	-
55,211	635,906	(38,861)
(19,620)	9,521	186,368
<u>(501,768)</u>	<u>(440,879)</u>	<u>(321,839)</u>
\$ 274,260	\$ 896,527	\$ 513,138
<u>8,453,490</u>	<u>7,556,963</u>	<u>7,043,825</u>
\$ 8,727,750	\$ 8,453,490	\$ 7,556,963
\$ 200,686	\$ 187,357	\$ 244,822
65,489	112,172	85,860
452,813	32,364	374,277
(501,768)	(440,879)	(321,839)
<u>34,387</u>	<u>141,103</u>	<u>29,088</u>
\$ 251,607	\$ 32,117	\$ 412,208
<u>6,575,598</u>	<u>6,543,481</u>	<u>6,131,273</u>
\$ 6,827,205	\$ 6,575,598	\$ 6,543,481
<u>\$ 1,900,545</u>	<u>\$ 1,877,892</u>	<u>\$ 1,013,482</u>
78.22%	77.79%	86.59%
\$ 1,455,301	\$ 1,401,782	\$ 1,336,818
130.59%	133.96%	75.81%

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years*

OPEB -

Fiscal Year Ended June 30,	2019	2018
TOTAL OPEB LIABILITY		
Service cost	\$ 40,161	\$ 38,249
Interest	35,290	35,362
Changes of benefit terms	-	-
Differences between expected and actual experience of the total OPEB liability	-	-
Changes of assumptions	-	-
Benefit payments, including refunds of employee contributions	(77,753)	(119,637)
Net change in Total OPEB Liability	\$ (2,302)	\$ (46,026)
Total OPEB liability - beginning	1,130,156	1,176,182
Total OPEB liability - ending	\$ 1,127,854	\$ 1,130,156
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 77,753	\$ 119,637
Contributions - employees	-	-
Net investment income	-	-
Benefit payments, including refunds of employee contributions	(77,753)	(119,637)
Other (net transfer)	-	-
Net change in plan fiduciary net position	\$ -	\$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending	\$ -	\$ -
Net OPEB liability	\$ 1,127,854	\$ 1,130,156
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered valuation payroll	\$ 1,643,836	\$ 1,294,891
Net OPEB liability as a percentage of covered valuation payroll	68.61%	87.28%

* Fiscal year ended June 30, 2018 is the first year of GASB Statement No. 75 implementation. The table will build prospectively from 2018. Information prior to 2018 is not available.

OTHER SUPPLEMENTARY INFORMATION

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS - LOUD THUNDER SPILLWAY AND CAMPING FUND
For the Year Ended June 30, 2019

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Interest	\$ -	\$ 75,960	\$ 75,960
Total revenues	\$ -	\$ 75,960	\$ 75,960
EXPENDITURES			
Capital expenditures	\$ -	\$ 1,577,969	\$ (1,577,969)
Professional services	-	2,125	(2,125)
Publishing	-	188	(188)
Debt service:			
Interest	-	154,602	(154,602)
Total general government	\$ -	\$ 1,734,884	\$ (1,734,884)
Deficiency of revenues under expenditures	\$ -	\$ (1,658,924)	\$ (1,658,924)
FUND BALANCE, Beginning		4,158,149	
FUND BALANCE, Ending		\$ 2,499,225	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Illinois Municipal Retirement Fund - Accounts for expenditures related to Illinois Municipal Retirement Fund with revenue generated by taxation.

FISSA Fund - Accounts for social security and Medicare Insurance expenditures with revenue generated by taxation.

Marvin Martin Trust Fund - Accounts for principal trust amounts received and the related interest income. The trust fund can be used for purchasing additional real property which is adjacent, contiguous or in close proximity, and for construction and acquisition of capital improvements to the Loud Thunder Forest Preserve Park.

CAPITAL PROJECTS FUNDS

Golf Course Improvement Fund - Accounts for the expenditures for improvements to the golf course.

Bike Path Project Fund - Accounts for the expenditures for the bike path project and maintenance.

Development of Forests and Construction Improvements Fund - Accounts for property tax revenue designated for construction and acquisition of capital improvements to Forest Preserve parks.

**ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2019

	Special Revenue Fund		
	Illinois Municipal Retirement	FISSA	Marvin Martin Trust
ASSETS			
Cash	\$ 275,279	\$ 224,763	\$ 30,386
Property taxes receivable	183,500	119,122	-
Accounts receivable	-	-	5,000
Accrued interest receivable	459	385	82
Total assets	<u>\$ 459,238</u>	<u>\$ 344,270</u>	<u>\$ 35,468</u>
LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accrued payroll taxes	\$ 10,032	\$ 7,962	\$ -
Accounts payable	38,000	-	3,017
Total liabilities	<u>\$ 48,032</u>	<u>\$ 7,962</u>	<u>\$ 3,017</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>\$ 119,289</u>	<u>\$ 77,439</u>	<u>\$ -</u>
FUND BALANCES			
Restricted for:			
Capital improvements	\$ -	\$ -	\$ 32,451
Use mandated by tax levy	291,917	258,869	-
Assigned	-	-	-
Total fund balances	<u>\$ 291,917</u>	<u>\$ 258,869</u>	<u>\$ 32,451</u>
Total liabilities and fund balances	<u>\$ 459,238</u>	<u>\$ 344,270</u>	<u>\$ 35,468</u>

Capital Projects Fund			
Golf Course Improvement	Bike Path Project	Development of Forests and Construction Improvements	Total Nonmajor Governmental Funds
\$ 203,679	\$ 94,815	\$ 427,547	\$ 1,256,469
-	-	193,120	495,742
6,697	-	-	11,697
376	175	731	2,208
<u>\$ 210,752</u>	<u>\$ 94,990</u>	<u>\$ 621,398</u>	<u>\$ 1,766,116</u>
\$ -	\$ -	\$ -	\$ 17,994
154,281	-	1,138	196,436
<u>\$ 154,281</u>	<u>\$ -</u>	<u>\$ 1,138</u>	<u>\$ 214,430</u>
\$ -	\$ -	\$ 125,528	\$ 322,256
\$ -	\$ -	\$ -	\$ 32,451
-	-	494,732	1,045,518
56,471	94,990	-	151,461
<u>\$ 56,471</u>	<u>\$ 94,990</u>	<u>\$ 494,732</u>	<u>\$ 1,229,430</u>
<u>\$ 210,752</u>	<u>\$ 94,990</u>	<u>\$ 621,398</u>	<u>\$ 1,766,116</u>

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Special Revenue Fund		
	Illinois Municipal Retirement	FISSA	Marvin Martin Trust
REVENUES			
Property taxes	\$ 320,840	\$ 194,265	\$ -
Interest and miscellaneous	5,765	4,709	557
Contributions from private sources	-	-	82,178
Total revenues	<u>\$ 326,605</u>	<u>\$ 198,974</u>	<u>\$ 82,735</u>
EXPENDITURES			
Current:			
Retirement	\$ 326,576	\$ -	\$ -
FISSA	-	167,889	-
Capital Outlay	-	-	99,422
General Government	-	-	21,774
Total expenditures	<u>\$ 326,576</u>	<u>\$ 167,889</u>	<u>\$ 121,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 29</u>	<u>\$ 31,085</u>	<u>\$ (38,461)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ 29	\$ 31,085	\$ (38,461)
FUND BALANCE - Beginning	<u>291,888</u>	<u>227,784</u>	<u>70,912</u>
FUND BALANCE - Ending	<u><u>\$ 291,917</u></u>	<u><u>\$ 258,869</u></u>	<u><u>\$ 32,451</u></u>

Capital Projects Fund			
Golf Course Improvement	Bike Path Project	Development of Forests and Construction Improvements	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 313,451	\$ 828,556
4,877	2,152	8,342	26,402
-	-	25,000	107,178
<u>\$ 4,877</u>	<u>\$ 2,152</u>	<u>\$ 346,793</u>	<u>\$ 962,136</u>
\$ -	\$ -	\$ -	\$ 326,576
-	-	-	167,889
39,691	-	332,762	471,875
128,320	-	9,000	159,094
<u>\$ 168,011</u>	<u>\$ -</u>	<u>\$ 341,762</u>	<u>\$ 1,125,434</u>
<u>\$ (163,134)</u>	<u>\$ 2,152</u>	<u>\$ 5,031</u>	<u>\$ (163,298)</u>
<u>\$ 35,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,518</u>
<u>\$ 35,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,518</u>
\$ (127,616)	\$ 2,152	\$ 5,031	\$ (127,780)
184,087	92,838	489,701	1,357,210
<u>\$ 56,471</u>	<u>\$ 94,990</u>	<u>\$ 494,732</u>	<u>\$ 1,229,430</u>

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 333,119	\$ 333,119	\$ 320,840	\$ (12,279)
Interest and miscellaneous	720	720	5,765	5,045
Total revenues	<u>\$ 333,839</u>	<u>\$ 333,839</u>	<u>\$ 326,605</u>	<u>\$ (7,234)</u>
EXPENDITURES				
Current:				
Retirement	<u>\$ 334,106</u>	<u>\$ 333,839</u>	<u>\$ 326,576</u>	<u>\$ 7,263</u>
Total expenditures	<u>\$ 334,106</u>	<u>\$ 333,839</u>	<u>\$ 326,576</u>	<u>\$ 7,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (267)</u>	<u>\$ -</u>	\$ 29	<u>\$ 29</u>
FUND BALANCE, Beginning			<u>291,888</u>	
FUND BALANCE, Ending			<u>\$ 291,917</u>	

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISSA FUND

For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 179,892	\$ 179,892	\$ 194,265	\$ 14,373
Interest and miscellaneous	775	775	4,709	3,934
Total revenues	<u>\$ 180,667</u>	<u>\$ 180,667</u>	<u>\$ 198,974</u>	<u>\$ 18,307</u>
EXPENDITURES				
Current:				
Insurance	<u>\$ 180,712</u>	<u>\$ 180,667</u>	<u>\$ 167,889</u>	<u>\$ 12,778</u>
Total expenditures	<u>\$ 180,712</u>	<u>\$ 180,667</u>	<u>\$ 167,889</u>	<u>\$ 12,778</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (45)</u>	<u>\$ -</u>	\$ 31,085	<u>\$ 31,085</u>
FUND BALANCE, Beginning			<u>227,784</u>	
FUND BALANCE, Ending			<u>\$ 258,869</u>	

ROCK ISLAND COUNTY FOREST PRESERVE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEVELOPMENT OF FORESTS AND CONSTRUCTION IMPROVEMENTS FUND
For the Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Property taxes	\$ 290,065	\$ 290,065	\$ 313,451	\$ 23,386
Interest and miscellaneous	170	170	8,342	8,172
Contributions from private sources	-	-	25,000	25,000
Total revenues	<u>\$ 290,235</u>	<u>\$ 290,235</u>	<u>\$ 346,793</u>	<u>\$ 56,558</u>
EXPENDITURES				
Current:				
Capital outlay	\$ 175,000	\$ 650,000	\$ 332,762	\$ 317,238
General government	-	-	9,000	(9,000)
Total expenditures	<u>\$ 175,000</u>	<u>\$ 650,000</u>	<u>\$ 341,762</u>	<u>\$ 308,238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 115,235</u>	<u>\$ (359,765)</u>	\$ 5,031	<u>\$ 364,796</u>
FUND BALANCE, Beginning			<u>489,701</u>	
FUND BALANCE, Ending			<u>\$ 494,732</u>	

STATISTICAL SECTION