

KANKAKEE VALLEY PARK DISTRICT, ILLINOIS
Annual Financial Statements

As of and for the year ended
May 31, 2021

Kankakee Valley Park District, Illinois
Annual Financial Statements
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Independent Auditor's Report

Members of the Board of Commissioners
Kankakee Valley Park District
Kankakee, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kankakee Valley Park District, Illinois (the District), as of and for the year ended May 31, 2021 and the related notes to financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kankakee Valley Park District, Illinois, as of May 31, 2021, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Correction of an Error

As discussed in Note 7, the previously issued financial statements have been restated to correct the cash balances as of May 31, 2020. Our opinion is not modified with respect to this matter.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and the other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Tort Expenditures and Illinois Municipal Retirement Fund Supplementary Information have not been subjected to 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.

SKDO, P.C.

Bourbonnais, Illinois
December 7, 2021

Kankakee Valley Park District, Illinois
Statement of Net Position-Modified Cash Basis
May 31, 2021

Exhibit A

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,688,933
Cash held at paying agent	55,731
Capital assets	
Non-depreciable capital assets	1,689,165
Depreciable capital assets, net	12,400,298
Total assets	<u>15,834,127</u>
Liabilities	
Accounts payable and accrued expenses	53,966
Long-term liabilities	
Due within one year	860,930
Due in more than one year	1,575,000
Total liabilities	<u>2,489,896</u>
Net Position	
Net investment in capital assets	14,089,463
Restricted for:	
Liability insurance	744,260
Special recreation	388,916
Employee retirement	311,266
Unrestricted	(2,189,674)
Total net position	<u><u>\$ 13,344,231</u></u>

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

Kankakee Valley Park District, Illinois
Statement of Activities-Modified Cash Basis
For the year ended May 31, 2021

Exhibit B

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Capital Grants and Contributions	Operating grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 814,357	\$ -	\$ -	\$ -	\$ (814,357)
Recreation	1,977,990	383,645	-	-	(1,594,345)
Interest expense and fiscal charges	167,057	-	-	-	(167,057)
Total governmental activities	2,959,404	383,645	-	-	(2,575,759)
General revenues:					
					2,332,971
					219,263
					9,267
					12,698
					2,574,199
					(1,560)
					13,345,791
					\$ 13,344,231

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

Kankakee Valley Park District, Illinois
Statement of Assets, Liabilities and Fund Balances-Modified Cash Basis
Governmental Funds
May 31, 2021

Exhibit C

	General Fund	Recreation Fund	Liability Insurance Fund	Debt Service Fund	Capital Projects Fund	Special Recreation Fund	Nonmajor Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 173,310	\$ 64,555	\$ 744,260	\$ -	\$ -	\$ 388,916	\$ 317,892	\$ 1,688,933
Cash held at paying agent	-	-	-	55,731	-	-	-	55,731
Due from other funds	-	279,698	-	-	-	-	-	279,698
Total assets	<u>\$ 173,310</u>	<u>\$ 344,253</u>	<u>\$ 744,260</u>	<u>\$ 55,731</u>	<u>\$ -</u>	<u>\$ 388,916</u>	<u>\$ 317,892</u>	<u>\$ 2,024,362</u>
Liabilities								
Accounts payable and accrued expenses	\$ 671	\$ 29,469	\$ -	\$ -	\$ 17,200	\$ -	\$ 6,626	\$ 53,966
Due to other funds	-	-	-	214,673	65,025	-	-	279,698
Total liabilities	<u>671</u>	<u>29,469</u>	<u>-</u>	<u>214,673</u>	<u>82,225</u>	<u>-</u>	<u>6,626</u>	<u>333,664</u>
Fund Balance								
Restricted for:								
Liability insurance	-	-	744,260	-	-	-	-	744,260
Special recreation	-	-	-	-	-	388,916	-	388,916
Employee retirement	-	-	-	-	-	-	311,266	311,266
Unrestricted:								
Unassigned	172,639	314,784	-	(158,942)	(82,225)	-	-	246,256
Total fund balances	<u>172,639</u>	<u>314,784</u>	<u>744,260</u>	<u>(158,942)</u>	<u>(82,225)</u>	<u>388,916</u>	<u>311,266</u>	<u>1,690,698</u>
Total liabilities and fund balances	<u>\$ 173,310</u>	<u>\$ 344,253</u>	<u>\$ 744,260</u>	<u>\$ 55,731</u>	<u>\$ -</u>	<u>\$ 388,916</u>	<u>\$ 317,892</u>	<u>\$ 2,024,362</u>

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

Kankakee Valley Park District, Illinois**Exhibit D****Reconciliation of the Governmental Funds-Statement of Assets, Liabilities and Fund Balances-
Modified Cash Basis to the Statement of Net Position-Modified Cash Basis
May 31, 2021**

Total fund balances for governmental funds (Exhibit C)	\$ 1,690,698
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities, net of accumulated depreciation, are not financial resources and, therefore, are not reported in the funds.	14,089,463
Long-term liabilities are not due and payable in the current period and therefore, are not reported as a fund liability in governmental funds.	<u>(2,435,930)</u>
Total net position of governmental activities (Exhibit A)	<u><u>\$13,344,231</u></u>

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

Kankakee Valley Park District, Illinois
Statement of Revenues, Expenditures and
Changes in Fund Balance-Modified Cash Basis
Governmental Funds
For the year ended May 31, 2021

Exhibit E

	General Fund	Recreation Fund	Liability Insurance Fund	Debt Service Fund	Capital Projects Fund	Special Recreation Fund	Nonmajor Funds	Totals Governmental Funds
Revenues:								
Taxes	\$ 1,068,795	\$ 595,599	\$ -	\$ 736,365	\$ -	\$ 74,641	\$ 76,834	\$ 2,552,234
Charges for services	-	249,447	-	-	-	-	-	249,447
Rent	-	134,198	-	-	-	-	-	134,198
Interest	4,987	-	-	4,280	-	-	-	9,267
Other	10,234	2,464	-	-	-	-	-	12,698
Total revenues	<u>1,084,016</u>	<u>981,708</u>	<u>-</u>	<u>740,645</u>	<u>-</u>	<u>74,641</u>	<u>76,834</u>	<u>2,957,844</u>
Expenditures								
Current:								
General government	688,097	-	106,181	-	-	-	44,135	838,413
Recreation	-	946,240	-	-	-	78,904	40,310	1,065,454
Capital outlay	-	10,166	20,079	-	967,658	-	-	997,903
Debt service:								
Principal	-	-	-	809,355	-	-	-	809,355
Interest and fiscal charges	-	-	-	153,357	-	-	-	153,357
Issuance costs	-	-	-	-	13,700	-	-	13,700
Total expenditures	<u>688,097</u>	<u>956,406</u>	<u>126,260</u>	<u>962,712</u>	<u>981,358</u>	<u>78,904</u>	<u>84,445</u>	<u>3,878,182</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>395,919</u>	<u>25,302</u>	<u>(126,260)</u>	<u>(222,067)</u>	<u>(981,358)</u>	<u>(4,263)</u>	<u>(7,611)</u>	<u>(920,338)</u>
Other financing sources (uses):								
Issuance of bonds	-	-	-	243,525	82,470	-	-	325,995
Operating transfer in	-	350,000	-	-	-	-	-	350,000
Operating transfer out	(350,000)	-	-	-	-	-	-	(350,000)
Total other financing sources (uses)	<u>(350,000)</u>	<u>350,000</u>	<u>-</u>	<u>243,525</u>	<u>82,470</u>	<u>-</u>	<u>-</u>	<u>325,995</u>
Net change in fund balance	<u>45,919</u>	<u>375,302</u>	<u>(126,260)</u>	<u>21,458</u>	<u>(898,888)</u>	<u>(4,263)</u>	<u>(7,611)</u>	<u>(594,343)</u>
Fund balance (deficit), beginning of year (restated, Note 7)	126,720	(60,518)	870,520	(180,400)	816,663	393,179	318,877	2,285,041
Fund balance (deficit), end of year	<u>\$ 172,639</u>	<u>\$ 314,784</u>	<u>\$ 744,260</u>	<u>\$ (158,942)</u>	<u>\$ (82,225)</u>	<u>\$ 388,916</u>	<u>\$ 311,266</u>	<u>\$ 1,690,698</u>

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

Kankakee Valley Park District, Illinois**Exhibit F****Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances-Modified Cash Basis
to the Statement of Activities-Modified Cash Basis
For the year ended May 31, 2021**

Net change in fund balances - total governmental funds (Exhibit E)	\$ (594,343)
The change in net position reported for governmental activities in the statement of activities is different because:	
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.	
Capital asset purchases capitalized	964,998
Depreciation expense	(609,846)
In the statement of activities, a gain or loss on the disposition of capital assets is reported, whereas in the governmental funds, the proceeds received from disposition of capital assets increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of disposed capital assets.	
	(245,729)
The issuance of long-term debt is reported as an other financing source in the governmental funds but as an increase in principal outstanding in the statement of activities	
	(325,995)
The repayment of principal on long-term debt is reflected as an expense on the fund level statements, but is reported as a reduction of liabilities on the entity-wide statements.	
	<u>809,355</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (1,560)</u>

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

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 1 – Summary Significant Accounting Policies

General

The Kankakee Valley Park District is a municipal corporation governed by an elected board. The District provides the following services: recreational and cultural programs, services and facilities, park management including the acquisition, development and maintenance of parks, the conservation of natural and historical resources, and general administration.

As discussed further in Note 1, these financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Accounting principles generally accepted in the United States of America include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the Kankakee Valley Park District and any component units, of which there none during the year. The criteria used to determine if a legally separate organization's financial statements should be included and the manner in which they should be displayed center on the nature of financial accountability. Among factors determining this financial accountability include the degree to which the governing body is controlled by the District as manifested by the ability to appoint a majority of its voting board and approval of its budget, the degree to which it provides a financial benefit or burden to the District, or the extent to which it is fiscally dependent.

Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The District does not have any business-type activities.

The Statement of Activities displays the direct expenses of a given function or segment and the associated 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) operating or capital 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.

Fund Financial Statements – The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements, and all non-major funds are aggregated and presented in a single column.

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 1 – Summary Significant Accounting Policies (Continued)

Governmental funds are those funds through which most governmental functions typically are financed. The District has presented 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 accounted for in another fund.

The Recreation Fund, a special revenue fund, is used to account for revenue and expenditures related to recreation programs funded by a restricted tax levy and user fees.

The Liability Insurance Fund, a special revenue fund, is used to account for revenue and expenditures related to liability insurance funded by a restricted tax levy.

The Debt Service Fund, which accounts for the accumulation of resources restricted, committed, or assigned for the payment of long-term debt principal and interest.

The Capital Projects Fund, which accounts for financial resources restricted, committed, or assigned for the acquisition or construction of major capital facilities, equipment, and capital asset replacements.

The Special Recreation Fund, which accounts for revenue and expenditures related to special recreation programs funded by a restricted tax levy.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented on the modified cash basis of accounting. All governmental funds utilize a “current financial resources” measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

The financial statements are presented on the modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statement of net position or balance sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 1 – Summary Significant Accounting Policies (Continued)

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Cash and Investments

Investments with maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with maturity greater than one year at time of purchase, if any, are stated at fair value. The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The District held no investments measured at fair value at May 31, 2021.

Capital Assets

Capital assets, which include property and equipment, and infrastructure assets (e.g., bike trails, paths, and similar items) are reported in governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 that are tangible in nature and have an estimated useful life in excess of one year. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	15-20
Buildings	20-50
Equipment	5

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 1 – Summary Significant Accounting Policies (Continued)

Long-Term Debt

All long-term bonds, notes, and other debt arising from cash transactions or events to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long-term debt arising from cash transactions or events of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payment of principal and interest is reported as expenditures.

Net Position/Fund Balance Classifications

Government-Wide Statements

Net position is classified and displayed in three components:

1. *Net investment in capital assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. *Restricted.* Consists of restricted assets reduced by liabilities with restriction constraints placed on the use either externally, by creditors, grantors, contributors, or laws and regulations of other governments, or by restrictions imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted.* Net amount of assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Financial Statements

Governmental Funds - The difference among assets and liabilities of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

Nonspendable - Amounts that cannot be spent because they either are not in spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 1 – Summary Significant Accounting Policies (Continued)

Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District. Commitments may be established, modified, or rescinded only through resolutions approved by the District Board.

Assigned - Amounts constrained by the District's intent to be used for specific purposes but that are neither restricted nor committed. Intent may be expressed by the District Board.

Unassigned - The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to specific purposes. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

It is the District's policy to first use restricted fund balances prior to the use of unrestricted fund balances when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is also District policy to use committed fund balances before assigned fund balances and assigned fund balances before unassigned amounts when an expenditure is incurred for purposes for which amounts in those classifications are available to be used.

Property Tax Revenues

Property taxes are recognized in the year in which taxes have been received. Property taxes are levied on the basis of a calendar year with a January 1 lien date. The certificate of tax levy is filed annually on or before the last Tuesday in December based on the assessed valuation as of April 1 of the same year. Taxes are due in the following year in two equal installments, one in June and the other in September, with distribution to the District coming shortly thereafter and continuing through January of the ensuing year. Property taxes levied in 2019 and collected in 2020 are recorded as revenues for fiscal year ended May 31, 2021.

Internal and Interfund Balances and Activities

Interfund activity resulting from cash transactions or events, if any, within and among the governmental fund categories is reported in the fund financial statements. Interfund loans are amounts provided with a requirement for repayment and are reported as due to/from other funds.

Interfund activity and balances resulting from cash transactions or events, if any, are eliminated or reclassified in the government-wide financial statements.

Use of Estimates

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

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 2 – Deposits and Investments

The District is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6). The institutions in which investments are made must be approved by the District Board.

The Illinois Funds is a local government investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. The Illinois Funds uses amortized cost, which is the share price, to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. The Illinois Funds does not place any limitations or restrictions on withdrawals. The Illinois Funds has a credit rating of AAAM from Standard & Poor's (S&P). The Illinois Funds invests in those investments authorized by the Deposit of State Moneys Act (15 ILCS 520/22.5) and the Public Funds Investment Act (30 ILCS 235/2). Audited financial statements for The Illinois Funds are available at www.illinoistreasurer.gov. At May 31, 2021, the District has \$179,878 invested in The Illinois Funds.

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

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the District's deposits may not be returned to it. The District's deposits with financial institutions were covered either by FDIC or pledged collateral held by an independent third-party depository in the District's name at May 31, 2021.

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

The District's investment policy does not address custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have an investment policy that addresses interest rate risk.

Credit Risk

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

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 2 – Deposits and Investments (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have an investment policy that addresses concentration of credit risk.

Note 3 – Interfund Transfers

The District transferred \$350,000 from the General Fund to the Recreation Fund for the reopening of Splash Valley.

Note 4 – Capital Assets

Capital asset activity for the year ended May 31, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$1,646,060	\$ -	\$ -	\$ 1,646,060
Construction in progress	<u>1,094,502</u>	<u>43,105</u>	<u>1,094,502</u>	<u>43,105</u>
Total capital assets not being depreciated	<u>2,740,562</u>	<u>43,105</u>	<u>1,094,502</u>	<u>1,689,165</u>
Capital assets being depreciated:				
Land improvements	3,762,850	9,240	108,664	3,663,426
Buildings and improvements	15,113,232	1,967,239	14,037	17,066,434
Furniture and equipment	<u>5,502,358</u>	<u>39,916</u>	<u>1,464,144</u>	<u>4,078,130</u>
Total capital assets being depreciated	<u>24,378,440</u>	<u>2,016,395</u>	<u>1,586,845</u>	<u>24,807,990</u>
Less accumulated depreciation for:				
Land improvements	3,224,587	75,221	105,666	3,194,142
Buildings and improvements	5,573,267	347,611	11,900	5,908,978
Furniture and equipment	<u>4,341,108</u>	<u>187,013</u>	<u>1,223,549</u>	<u>3,304,572</u>
Total accumulated depreciation	<u>13,138,962</u>	<u>609,845</u>	<u>1,341,115</u>	<u>12,407,692</u>
Total capital assets being depreciated, net	<u>11,239,478</u>	<u>1,406,550</u>	<u>245,730</u>	<u>12,400,298</u>
Governmental activities, net	<u>\$13,980,040</u>	<u>\$1,449,655</u>	<u>\$1,340,232</u>	<u>\$14,089,463</u>

Depreciation expense was charged to functions/programs of the District's governmental activities as follows:

Governmental Activities	
Recreation	<u>\$609,846</u>

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 5 – Long-Term Debt

The following is a summary of changes in long-term debt for governmental activities for the year ended May 31, 2021:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Current Portion</u>
Governmental Activities					
General Obligation Bond					
Series 2017A	\$ 304,000	\$ -	\$225,000	\$ 79,000	\$ 79,000
Series 2017B	179,000	-	75,000	104,000	104,000
Series 2018C (ARS)	1,895,000	-	160,000	1,735,000	160,000
Series 2019A	241,555	-	241,555	-	-
Series 2019 B	299,735	-	107,800	191,935	191,935
Series 2020	-	325,995	-	325,995	325,995
Total Governmental Activities	<u>\$2,919,290</u>	<u>\$325,995</u>	<u>\$809,355</u>	<u>\$2,435,930</u>	<u>\$860,930</u>

General Obligation Bonds

General Obligation Bonds consist of the following:

Series 2017A General Obligation Park Bond: Originally issued for \$729,000 dated January 25, 2017, provides for principal payments of \$79,000 to \$225,000 due December 1, 2018 - 2021; interest is payable on June and December 1 at 9.50%.

Series 2017B General Obligation Park Bond: Originally issued for \$179,000 dated January 25, 2017, provides for principal payments of \$75,000 to \$104,000 due December 1, 2020 - 2021; interest is payable on June and December 1 at 6.35%.

Series 2018C General Obligation Park Bond (Alternative Revenue Source): Originally issued for \$2,000,000 dated October 2, 2018, provides for a principal payment of \$105,000 to \$465,000 due December 1, 2019-2026; interest is payable at December 1 ranging from 4.25% to 4.50%.

Series 2019A General Obligation Park Bond: Originally issued for \$280,000 dated February 11, 2019 provides for principal payments of \$38,445 to \$241,555 due December 1, 2019 - 2020; interest is payable on June and December 1 at 3.80%.

Series 2019B General Obligation Park Bond: Originally issued for \$299,735 dated November 12, 2019 provides for principal payments of \$107,800 to \$191,935 due November 1, 2020-2021; interest is payable on November 1 at 3.00%. Proceeds of \$202,031 were used to pay the 2018C bond and the balance was used for park maintenance and improvements.

Series 2020 General Obligation Limited Tax Park Bond: Originally issued for \$325,995 in November, 2020, provides for a principal payment of \$325,995 due November, 2021; interest is payable at 1.29%. Proceeds of \$243,525 were used to pay the 2018C bond and the balance was used for park maintenance and improvements.

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 5 – Long-Term Debt (Continued)

Debt Service to Maturity

The annual requirements to amortize debt outstanding as of May 31, 2021 are as follows:

Fiscal Year Ending May 31,	Principal	Interest	Total
2022	\$ 860,930	\$ 97,813	\$ 958,743
2023	160,000	69,925	229,925
2024	220,000	63,125	283,125
2025	450,000	53,775	503,775
2026	465,000	33,525	498,525
2027	<u>280,000</u>	<u>12,600</u>	<u>292,600</u>
Total	<u>\$2,435,930</u>	<u>\$330,763</u>	<u>\$2,766,693</u>

Pledged Revenues

The District has pledged corporate fund property taxes and the proceeds of the annual general obligation bond issuance as security for the 2018C General Obligation Park Bonds. Payments of \$243,525 were made during the fiscal year ended May 31, 2021 from the proceeds of the 2020 bond issue. As of May 31, 2021, the remaining pledge of principal and interest totaled \$2,044,675.

Note 6 – Rental Agreement

The District entered into a lease on March 22, 2021 for a three-year period from March 22, 2021 to February 28, 2024 related to 180.67 acres of farmland. The lease calls for annual cash rent in the following amounts:

- 2021 crop year: \$285 per acre for an annual amount of \$51,491
- 2022 crop year: \$295 per acre for an annual amount of \$53,298
- 2023 crop year: \$300 per acre for an annual amount of \$54,201

The District received \$51,491 of rent during the year for this lease. The rent is recorded in the Recreation Fund.

Note 7 – Restatements and Prior-Period Adjustments

During the year ended May 31, 2021, the District determined that fiscal year end 2020 expenses were overstated and the May 31, 2020 cash balances were understated. Therefore, restatements to the May 31, 2020 government-wide financial statements and the corresponding governmental fund financial statements were required. The prior-period adjustment and the restatement represent a decrease in expenses, increase in cash and an offsetting increase to the 2020 net position and fund balances.

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 7 – Restatements and Prior-Period Adjustments (Continued)

	Governmental <u>Activities</u>	General <u>Fund</u>	Recreation <u>Fund</u>
Net Position/Fund Balance, May 31, 2020	\$13,232,095	\$102,760	\$(79,471)
Adjustments:			
Prior period adjustment	<u>113,696</u>	<u>23,960</u>	<u>18,953</u>
Restated Net Position/Fund Balance, May 31, 2020	<u>\$13,345,791</u>	<u>\$126,720</u>	<u>\$(60,518)</u>

	Liability <u>Insurance Fund</u>	Capital Projects <u>Fund</u>
Net Position and Fund Balance, May 31, 2020	\$860,828	\$755,572
Adjustments:		
Prior period adjustment	<u>9,692</u>	<u>61,091</u>
Restated Net Position/Fund Balance, May 31, 2020	<u>\$870,520</u>	<u>\$816,663</u>

Note 8 – Restricted Fund Balance and Net Position

On May 31, 2021, restricted fund balance and net position consists of the following:

Restricted for:	<u>Fund Balance</u>	<u>Net Position</u>
Liability insurance – tax levies	\$ 744,260	\$ 744,260
Special recreation – tax levies	388,916	388,916
Retirement – tax levies	<u>311,266</u>	<u>311,266</u>
	<u>\$1,444,442</u>	<u>\$1,444,442</u>

Note 9 - Risk Management

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries and illness to employees; and net income losses. The District's health insurance is purchased through the Park District Risk Management Agency (PDRMA) and pays agreed-upon annual premiums on a monthly basis.

The District is a member of PDRMA, a risk management pool of park and forest preserve districts and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. In the event losses exceeded the per occurrence self-insured and reinsurance limit, the District would be liable for the excess amount. PDRMA's Board of Directors evaluates the aggregate self-insured limit annually.

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

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 9 - Risk Management (Continued)

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, to cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

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

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

Note 10 - Pension Plan

IMRF Plan Description

The 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. The 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. That 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.

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 10 - Pension Plan (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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

Retirees and beneficiaries	19
Inactive, non-retired members	29
Active members	<u>16</u>
Total	<u>64</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% 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. The District's annual contribution rate for calendar year 2020 was 5.84% and for 2021 is 7.21%. For the fiscal year ended May 31, 2021, the District contributed \$34,622 to the plan which was reported as an expense. The District 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 the IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Note 11 - Individual Fund Disclosures

Advances to/from funds at May 31, 2021 consisted of the following:

	Interfund <u>Receivable</u>	Interfund <u>Payable</u>
Recreation Fund	\$279,698	\$ -
Debt Service Fund	-	214,673
Capital Projects Fund	-	<u>65,025</u>
Total	<u>\$279,698</u>	<u>\$279,698</u>

All amounts are related to operating deficits.

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 12 – Other Postemployment Benefits

Plan Description

Under Public Act 06-1444, the District, as an IMRF employer, is required to offer the same health insurance to disabled members, retirees, and surviving spouses eligible for IMRF benefits at the same premium rate as active employees. The plan does not have a trust fund and therefore does not issue a separate publicly available report.

Funding Policy

The District requires retirees to contribute 100% of the premium for their desired coverage. The premiums established for the group contain an implied rate subsidy through the blended premium covering all current employees and retirees. No actuarial valuation was performed to determine the amount of such subsidy.

Contributions

Because the retiree premium is paid entirely by the retiree contributions, there is no net cash outflow by the District in regard to the plan benefits for retirees.

Note 13 – Tax Abatements

The District has various Enterprise Zones that were created under the Illinois Enterprise Zone Act (20 ILCS 655).

Businesses that build new commercial property or improve existing industrial, manufacturing, and commercial properties in these zones may qualify for an abatement of the increased property taxes that arise due to the increase in value of their property. The abatements are for five years in which tax increase is abated as follows:

<u>Year</u>	<u>Percent Abated</u>
1	100%
2	80%
3	60%
4	40%
5	20%

The total Enterprise Zone abatements from the District during the year ended May 31, 2021 were approximately \$200.

The District also abates property taxes in various Tax Increment Financing (TIF) districts that were created under the Illinois Tax Increment Allocation Redevelopment Act (TIF Act) (65 ILCS 5/11-74.4).

The property taxes for the additional assessed valuation on new commercial property or improved existing commercial properties in these districts is paid to a tax increment financing (TIF) district. These funds are available for eligible costs as defined in the TIF Act including development or redevelopment projects within the TIF district.

Kankakee Valley Park District, Illinois
Notes to Financial Statements
As of and for the year ended May 31, 2021

Note 13 – Tax Abatements (Continued)

The total TIF abatements from the District during the year ended May 31, 2021 were approximately \$61,250.

Note 14 – Contingencies

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in global exposure, and the pandemic continues as of the date of this report. Although the District cannot estimate the length or effect of the impact of the COVID-19 outbreak at this time, it may have an adverse effect on the District's results of future operations and financial position in fiscal year 2022.

The District entered into an agreement with Rink Management Services Corporation (RMSC) on April 1, 2021 to operate, manage and maintain the Ice Valley and Splash Valley facilities. The District terminated the agreement on September 15, 2021. As of December 7, 2021, the District has determined that approximately \$77,000 is due to RMSC for operating expenses of the facilities from April 1, 2021, through September 15, 2021. An additional \$11,700 may be owed to RMSC due to a 60-day notice requirement for a total amount due of approximately \$88,700.

Note 15 – Legal Debt Margin

Assessed valuation – 2020	\$340,410,804
Enterprise Zone abatements	-
Tax Increment Financing Districts abatements	<u>(8,928,473)</u>
Assessed valuation net of abatements	<u>\$331,482,331</u>
 Debt limit – 2.875% of assessed value	 <u>\$ 9,530,117</u>
 Total debt:	
General obligation bonds, alternate source	<u>\$ 2,435,930</u>
Legal debt margin	<u>\$ 7,094,187</u>

Note 16 – Subsequent Events

In September 2021 the District approved the issuance of Bond Series 2021A, general obligation park bonds for \$3,250,000. In October 2021 the District approved the issuance of Bond Series 2021B, general obligation limited park bonds for \$727,150.

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-General Fund
For the year ended May 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes			
Property taxes	\$ 1,076,057	\$ 1,068,795	\$ (7,262)
Rental income	2,500	-	(2,500)
Investment income	-	4,987	4,987
Miscellaneous income	2,500	10,234	7,734
Total revenues	<u>1,081,057</u>	<u>1,084,016</u>	<u>2,959</u>
Expenditures:			
Current			
General government			
Salaries and employee benefits	377,547	394,125	16,578
Contractual services	169,037	116,154	(52,883)
Materials and supplies	14,198	7,368	(6,830)
Utilities	55,810	44,300	(11,510)
Miscellaneous	114,429	115,182	753
Repairs and maintenance	65,150	10,968	(54,182)
Total expenditures	<u>796,171</u>	<u>688,097</u>	<u>(108,074)</u>
Other financing sources (uses):			
Transfer Out	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (65,114)</u>	45,919	<u>\$ 111,033</u>
Fund balance (deficit), beginning of the year (restated, Note 7)		<u>126,720</u>	
Fund balance, end of year		<u>\$ 172,639</u>	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-Recreation Fund
For the year ended May 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes			
Property taxes	\$ 378,893	\$ 376,336	\$ (2,557)
Replacement Taxes	182,818	219,263	36,445
Charges for services			
Recreation	527,492	71,274	(456,218)
Ice Valley	-	157,051	157,051
Splash Valley	-	21,122	21,122
Rental income	43,000	134,198	91,198
Miscellaneous income	2,000	2,464	464
Total revenues	1,134,203	981,708	(152,495)
Expenditures:			
Current			
Recreation			
Ice			
Salaries and employee benefits	-	66,347	66,347
Contractual services	46,750	4,624	(42,126)
Material and supplies	-	93,938	93,938
Utilities	350,291	111,191	(239,100)
Capital outlay	-	10,166	10,166
Splash Valley			
Material and supplies	36,775	53,590	16,815
Capital outlay	-	2,693	2,693
River road and other recreation			
Salaries and employee benefits	399,274	275,877	(123,397)
Contractual services	55,764	75,918	20,154
Equipment and supplies	9,700	22,561	12,861
Utilities	38,700	141,779	103,079
Programs and special events	37,052	38,480	1,428
Repairs and maintenance	111,750	57,596	(54,154)
Memberships	-	1,356	1,356
Other	-	290	290
Total expenditures	1,086,056	956,406	(129,650)
Other financing sources (uses):			
Transfer in	-	350,000	350,000
Total other financing sources (uses)	-	350,000	350,000
Net change in fund balance	\$ 48,147	375,302	\$ 677,155
Fund balance (deficit), beginning of year (restated, Note 7)		(60,518)	
Fund balance (deficit), end of year		\$ 314,784	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-Liability Insurance Fund
For the year ended May 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Current			
General government	41,466	106,181	64,715
Capital outlay	-	20,079	20,079
Total expenditures	41,466	126,260	84,794
Net change in fund balance	<u>\$ (41,466)</u>	(126,260)	<u>\$ (84,794)</u>
Fund balance, beginning of year (restated, Note 7)		<u>870,520</u>	
Fund balance, end of year		<u>\$ 744,260</u>	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-Debt Service Fund
For the year ended May 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 984,893	\$ 736,365	\$ (248,528)
Interest	-	4,280	4,280
Total revenues	984,893	740,645	(244,248)
Expenditures:			
Debt Service			
Principal retirement	953,902	809,355	(144,547)
Interest and fiscal charges	13,700	153,357	139,657
Total expenditures	967,602	962,712	(4,890)
Excess (deficiency) of revenues collected over expenditures paid	17,291	(222,067)	(239,358)
Other financing sources (uses)			
Issuance of bonds	-	243,525	243,525
Total other financing sources (uses)	-	243,525	243,525
Net change in fund balance	\$ 17,291	21,458	\$ 4,167
Fund balance (deficit), beginning of year		(180,400)	
Fund balance (deficit), end of year		\$ (158,942)	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis - Capital Projects Fund
For the year ended May 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Capital outlay	746,205	967,658	221,453
Issuance costs	-	13,700	13,700
Total expenditures	746,205	981,358	235,153
Excess (deficiency) of revenues collected over expenditures paid	(746,205)	(981,358)	(235,153)
Other financing sources (uses)			
Issuance of bonds	63,000	82,470	19,470
Total other financing sources (uses)	63,000	82,470	19,470
Net change in fund balance	<u>\$ (746,205)</u>	(898,888)	<u>\$ (152,683)</u>
Fund balance, beginning of year (restated, Note 7)		<u>816,663</u>	
Fund balance (deficit), end of year		<u>\$ (82,225)</u>	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-Special Recreation Fund
For the year ended May 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 75,147	\$ 74,641	\$ (506)
Total revenues	<u>75,147</u>	<u>74,641</u>	<u>(506)</u>
Expenditures:			
Current			
Recreation			
Special recreation association fees	<u>95,000</u>	<u>78,904</u>	<u>(16,096)</u>
Total expenditures	<u>95,000</u>	<u>78,904</u>	<u>(16,096)</u>
Net change in fund balance	<u>\$ (19,853)</u>	<u>(4,263)</u>	<u>\$ 15,590</u>
Fund balance, beginning of year		<u>393,179</u>	
Fund balance, end of year		<u>\$ 388,916</u>	

Kankakee Valley Park District, Illinois
Combined Statement of Assets, Liabilities, and Fund Balances-
Modified Cash Basis
Nonmajor Governmental Funds
May 31, 2021

	Social Security Fund	IMRF Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 126,970	\$ 190,922	\$ 317,892
Total assets	<u>\$ 126,970</u>	<u>\$ 190,922</u>	<u>\$ 317,892</u>
Liabilities			
Accounts payable and accrued expenses	\$ -	\$ 6,626	\$ 6,626
Total liabilities	<u>-</u>	<u>6,626</u>	<u>6,626</u>
Fund Balance			
Restricted for:			
Employee retirement	126,970	184,296	311,266
Total fund balances	<u>126,970</u>	<u>184,296</u>	<u>311,266</u>
Total liabilities and fund balances	<u>\$ 126,970</u>	<u>\$ 190,922</u>	<u>\$ 317,892</u>

Kankakee Valley Park District, Illinois
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance-Modified Cash Basis
Nonmajor Governmental Funds
For the year ended May 31, 2021

	Social Security Fund	IMRF Fund	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 47,982	\$ 28,852	\$ 76,834
Total revenues	<u>47,982</u>	<u>28,852</u>	<u>76,834</u>
Expenditures			
Current:			
General government	26,040	18,095	44,135
Recreation	23,783	16,527	40,310
Total expenditures	<u>49,823</u>	<u>34,622</u>	<u>84,445</u>
Net change in fund balance	(1,841)	(5,770)	(7,611)
Fund balance, beginning of year	<u>128,811</u>	<u>190,066</u>	<u>318,877</u>
Fund balance, end of year	<u>\$ 126,970</u>	<u>\$ 184,296</u>	<u>\$ 311,266</u>

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-Social Security Fund
For the year ended May 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 48,309	\$ 47,982	\$ (327)
Total revenues	<u>48,309</u>	<u>47,982</u>	<u>(327)</u>
Expenditures:			
Current			
General government	69,274	26,040	(43,234)
Recreation	<u>-</u>	<u>23,783</u>	<u>23,783</u>
Total expenditures	<u>69,274</u>	<u>49,823</u>	<u>(19,451)</u>
Net change in fund balance	<u>\$ (20,965)</u>	(1,841)	<u>\$ 19,124</u>
Fund balance, beginning of year		<u>128,811</u>	
Fund balance, end of year		<u>\$ 126,970</u>	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-IMRF Fund
For the year ended May 31, 2021

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 29,049	\$ 28,852	\$ (197)
Total revenues	<u>29,049</u>	<u>28,852</u>	<u>(197)</u>
Expenditures:			
Current			
General government	64,149	18,095	(46,054)
Recreation	<u>-</u>	<u>16,527</u>	<u>16,527</u>
Total expenditures	<u>64,149</u>	<u>34,622</u>	<u>(29,527)</u>
Net change in fund balance	<u>\$ (35,100)</u>	(5,770)	<u>\$ 29,330</u>
Fund balance, beginning of year		<u>190,066</u>	
Fund balance, end of year		<u>\$ 184,296</u>	

Kankakee Valley Park District
Notes to Supplementary Information and Tort Expenditures
As of and for the year ended May 31, 2021

Budgetary Data

The Board of Commissioners followed these procedures in establishing the budgetary data reflected in the financial statements. Prior to June 1 the Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means for financing. The budgetary operations of the District are governed by appropriation laws detailed in the Illinois Park District Code. Notice is given, and public meetings are conducted to obtain taxpayer comments. Prior to the second Tuesday in June, the budget is legally enacted through the passage of an ordinance. The treasurer is authorized to transfer up to 10% of the total budget between the budget items within the fund; however, the total budgeted expenditures of any fund may not be exceeded.

The budget may be amended through a process that is similar to that described above. Formal budgetary integration is employed as a management control device during the year in the general and special revenue funds. Budgeted amounts are as adopted by the Board of Commissioners. The budget authority lapses at the end of the fiscal year. No supplemental appropriations were required during fiscal year 2021.

The following funds had expenditures greater than the budget for the year ended May 31, 2021:

<u>Fund</u>	Actual <u>Expenditures</u>	<u>Budget</u>
Liability Insurance Fund	\$126,260	\$41,466
Capital Projects Fund	\$991,358	\$746,205

Tort Expenditures

Disclosure of Tort Expenditures under PA 91-0628: \$126,260

Kankakee Valley Park District, Illinois
Illinois Municipal Retirement Fund Supplementary Information
As of and for the year ended May 31, 2021

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
IMRF

Calendar year ended December 31,	2020	2019	2018	2017	2016
Total pension liability					
Service Cost	\$ 55,253	\$ 39,397	\$ 32,047	\$ 73,497	\$ 79,331
Interest on the total pension liability	298,855	279,995	260,037	260,289	260,106
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	(50,119)	164,927	221,333	(6,722)	(157,247)
Changes of assumptions	(13,192)	-	102,930	(100,089)	-
Benefit payments, including refunds of employee contributions	(211,753)	(252,466)	(197,914)	(221,298)	(132,375)
Net change in total pension liability	79,044	231,853	418,433	5,677	49,815
Total pension liability - beginning	4,200,383	3,968,530	3,550,097	3,544,420	3,494,605
Total pension liability - ending (A)	\$ 4,279,427	\$ 4,200,383	\$ 3,968,530	\$ 3,550,097	\$ 3,544,420
Plan fiduciary net position					
Contributions - Employer	\$ 29,754	\$ 3,702	\$ 24,677	\$ 38,786	\$ 52,535
Contributions - Employees	22,927	23,358	102,924	17,800	31,818
Net investment income	619,091	715,744	(218,069)	591,354	232,972
Benefit payments, including refunds of employee contributions	(211,753)	(252,466)	(197,914)	(221,298)	(132,375)
Other/net transfer	14,746	37,549	(15,133)	79,867	127,930
Net change in plan fiduciary net position	474,765	527,887	(303,515)	506,509	312,880
Plan fiduciary net position - beginning	4,373,969	3,846,082	4,149,597	3,643,088	3,330,208
Plan fiduciary net position - ending (B)	\$ 4,848,734	\$ 4,373,969	\$ 3,846,082	\$ 4,149,597	\$ 3,643,088
Net pension liability (asset) - ending (A - B)	\$ (569,307)	\$ (173,586)	\$ 122,448	\$ (599,500)	\$ (98,668)
Plan fiduciary net position as a percentage of the total pension liability	113.30%	104.13%	96.91%	116.89%	102.78%
Covered payroll	\$ 509,490	\$ 493,636	\$ 422,553	\$ 395,545	\$ 707,064
Net pension liability (asset) as a percentage of covered payroll	-111.74%	-35.16%	28.98%	-151.56%	-13.95%

Notes:

IMRF Net Pension Liability: The District's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2020 IMRF annual actuarial valuation report.

SCHEDULE OF IMRF DISTRICT CONTRIBUTIONS

Fiscal Year Ended May 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2021	\$ 34,622	\$ 34,622	\$ -	\$ 537,529	6.44%
2020	\$ 14,503	\$ 14,503	\$ -	\$ 523,911	2.77%
2019	\$ 16,783	\$ 16,783	\$ -	\$ 442,088	3.80%
2018	\$ 30,061	\$ 30,061	\$ -	\$ 420,038	7.16%
2017	\$ 39,849	\$ 39,849	\$ -	\$ 526,991	7.56%

Notes:

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2020 GASB 68 accounting schedules prepared by a third party.