



**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended May 31, 2019



SIKICH.COM

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KANKAKEE, ILLINOIS
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KANKAKEE, ILLINOIS
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1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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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 (the District), as of and for the year ended May 31, 2019 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 1d; 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 error or fraud.

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, as of May 31, 2019, 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 1d.

Basis of Accounting

We draw attention to Notes 1d 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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules 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 other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sikich LLP

Naperville, Illinois
January 17, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

May 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 3,138,504
Cash held at paying agent	40,698
Due from other governments	3,183
Capital assets not being depreciated	1,646,060
Capital assets being depreciated (net of accumulated depreciation)	<u>11,749,133</u>
Total assets	<u>16,577,578</u>
DEFERRED OUTFLOWS OF RESOURCES	
None	<u>-</u>
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u>16,577,578</u>
LIABILITIES	
Accrued payroll	3,306
Long-term liabilities	
Due within one year	713,070
Due in more than one year	<u>2,619,555</u>
Total liabilities	<u>3,335,931</u>
DEFERRED INFLOWS OF RESOURCES	
None	<u>-</u>
Total deferred inflows of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u>3,335,931</u>
NET POSITION	
Net investment in capital assets	11,990,822
Restricted for	
Liability insurance	1,005,732
Capital projects	1,928,254
Special recreation	366,754
Employee retirement	210,292
Unrestricted (deficit)	<u>(2,260,207)</u>
TOTAL NET POSITION	<u><u>\$ 13,241,647</u></u>

See accompanying notes to financial statements.

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended May 31, 2019

	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 1,044,565	\$ -	\$ -	\$ (1,044,565)
Recreation	1,972,608	647,689	-	(1,324,919)
Interest and fiscal charges	211,322	-	-	(211,322)
Total government activities	3,228,495	647,689	-	(2,580,806)
TOTAL PRIMARY GOVERNMENT	\$ 3,228,495	\$ 647,689	\$ -	\$ (2,580,806)
	General revenues			
	Taxes			
	Property			2,130,201
	Replacement			157,922
	Investment income			54,024
	Miscellaneous			7,973
	Total			2,350,120
	CHANGE IN NET POSITION			(230,686)
	NET POSITION, JUNE 1			13,472,333
	NET POSITION, MAY 31			\$ 13,241,647

See accompanying notes to financial statements.

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

STATEMENT OF ASSETS, LIABILITIES, AND
FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

May 31, 2019

	<u>General</u>	<u>Recreation</u>	<u>Liability Insurance</u>
ASSETS			
Cash and investments	\$ 801,829	\$ 225,693	\$ 13,544
Cash held at paying agent	-	-	-
Due from other governments	-	-	-
Advance to other funds	-	-	992,188
TOTAL ASSETS	<u>\$ 801,829</u>	<u>\$ 225,693</u>	<u>\$ 1,005,732</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued payroll	\$ -	\$ -	\$ -
Advance from other funds	858,819	345,058	-
Total liabilities	<u>858,819</u>	<u>345,058</u>	<u>-</u>
FUND BALANCES			
Restricted			
Liability insurance	-	-	1,005,732
Capital projects	-	-	-
Special recreation	-	-	-
Employee retirement	-	-	-
Unrestricted			
Unassigned (deficit)	(56,990)	(119,365)	-
Total fund balances (deficit)	<u>(56,990)</u>	<u>(119,365)</u>	<u>1,005,732</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 801,829</u>	<u>\$ 225,693</u>	<u>\$ 1,005,732</u>

Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,928,254	\$ 169,184	\$ 3,138,504
40,698	-	-	40,698
-	-	3,183	3,183
-	-	407,985	1,400,173
\$ 40,698	\$ 1,928,254	\$ 580,352	\$ 4,582,558
\$ -	\$ -	\$ 3,306	\$ 3,306
196,296	-	-	1,400,173
196,296	-	3,306	1,403,479
-	-	-	1,005,732
-	1,928,254	-	1,928,254
-	-	366,754	366,754
-	-	210,292	210,292
(155,598)	-	-	(331,953)
(155,598)	1,928,254	577,046	3,179,079
\$ 40,698	\$ 1,928,254	\$ 580,352	\$ 4,582,558

See accompanying notes to financial statements.

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

May 31, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 3,179,079
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	13,395,193
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	<u>(3,332,625)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 13,241,647</u></u>

See accompanying notes to financial statements.

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended May 31, 2019

	<u>General</u>	<u>Recreation</u>	<u>Liability Insurance</u>
REVENUES COLLECTED			
Taxes	\$ 1,055,723	\$ 310,204	\$ 110,506
Charges for services	-	450,317	-
Rental income	45,550	151,822	-
Investment income	54,024	-	-
Other income	6,244	1,729	-
	<hr/>		
Total revenues collected	1,161,541	914,072	110,506
EXPENDITURES PAID			
Current			
General government	878,626	-	147,321
Recreation	-	875,669	-
Capital outlay	-	-	-
Debt Service			
Principal retirement	-	-	-
Interest and fiscal charges	-	59	-
Issuance costs	-	-	-
	<hr/>		
Total expenditures paid	878,626	875,728	147,321
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID			
	282,915	38,344	(36,815)
OTHER FINANCING SOURCES (USES)			
Issuance of bonds	-	-	-
	<hr/>		
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCES			
	282,915	38,344	(36,815)
FUND BALANCES (DEFICIT), JUNE 1			
	(339,905)	(157,709)	1,042,547
FUND BALANCES (DEFICIT), MAY 31			
	\$ (56,990)	\$ (119,365)	\$ 1,005,732

Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 662,199	\$ -	\$ 149,491	\$ 2,288,123
-	-	-	450,317
-	-	-	197,372
-	-	-	54,024
-	-	-	7,973
662,199	-	149,491	2,997,809
-	-	18,618	1,044,565
-	-	132,305	1,007,974
-	467,480	-	467,480
574,695	-	-	574,695
157,355	-	-	157,414
-	53,908	-	53,908
732,050	521,388	150,923	3,306,036
(69,851)	(521,388)	(1,432)	(308,227)
-	2,280,000	-	2,280,000
-	2,280,000	-	2,280,000
(69,851)	1,758,612	(1,432)	1,971,773
(85,747)	169,642	578,478	1,207,306
\$ (155,598)	\$ 1,928,254	\$ 577,046	\$ 3,179,079

See accompanying notes to financial statements.

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES COLLECT
EXPENDITURES PAID, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended May 31, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,971,773
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	206,389
Some expenses on the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(703,543)
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	(2,280,000)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Bonds payable	<u>574,695</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (230,686)</u></u>

See accompanying notes to financial statements.

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

May 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Kankakee Valley Park District, Kankakee, Illinois (the District) have been prepared using the modified cash basis, which is a comprehensive basis of accounting, but which is not in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District is a body corporate and politic established under Illinois Compiled Statutes (ILCS). The District operates under a Board-Manager form of government, providing recreation and other services to the residents of the City of Dixon, which include: recreation programs, park management, capital development, and general administration. The District has a separately elected board. The District is considered to be a primary government as defined by GASB Statement No. 14 and No. 61, since it is legally separate and fiscally independent. The accompanying basic financial statements present the District only since the District does not have component units.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary. The District does not have any proprietary or fiduciary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted, committed, or assigned monies (special revenue funds), the funds restricted, committed, or assigned for the acquisition or construction of capital assets (capital projects funds), the funds restricted for the servicing of governmental long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The General Fund is used to account for all activities of the District not accounted for in some other fund.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the modified cash basis statements of net position and activities) report information on all of the activities of the District. The effect of material interfund activity, other than interfund service transactions, has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. The District does not have any business type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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 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.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide and proprietary fund financial statements are prepared using the modified cash basis of accounting. The modified cash basis of accounting omits recognition of certain revenues and the related assets, such as taxes receivable, until received, rather than when earned. Also, certain expenditures and the related liabilities, such as accounts payable and accrued items, are recognized when paid, rather than when the obligation is incurred. The financial statements reflect assets and liabilities arising from cash transactions, revenues collected, inventory on hand, and expenditures/expenses paid. The modified cash basis also includes depreciation expense as well as long-term capital assets and capital related liabilities. The modified cash basis of accounting is a comprehensive basis of accounting other than GAAP.

The governmental fund financial statements are prepared using the modified cash basis of accounting. The modified cash basis of accounting recognizes revenues when received instead of when earned or when measurable and available, and expenditures when paid instead of when incurred. The modified cash basis of accounting is a comprehensive basis of accounting other than GAAP.

e. 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 to measure at fair value at May 31, 2019.

f. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., bike trails, paths, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, 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.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets (Continued)

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, plant, and equipment is 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

g. Long-Term Obligations

In the governmental activities column in the government-wide financial statements, capital long-term debt are reported as liabilities.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

h. Property Taxes

The District's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Taxes are due and collectible one-half in June and one-half in September of the following year. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they are received. Property taxes attach as an enforceable lien on property as of January 1.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Net Position/Fund Balances

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District.

Committed fund balance is constrained by formal actions of the District's Board of Commissioners, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Commissioners. The Board of Commissioners would also take action to modify or rescind committed fund balance, if applicable.

Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance remains with the Board of Commissioners. Any residual fund balance in the General Fund is reported as unassigned. Deficit fund balances in other governmental funds are also 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 financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets 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.

j. 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, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

The District is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments insured by the Federal Deposit Insurance Corporation (FDIC), obligations or securities guaranteed by the United States of America, direct obligations of any bank as defined by the Illinois Banking Act, certain money market mutual funds and The Illinois Funds. The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

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.

Deposits with Financial Institutions

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, 2019.

Investments

Interest rate risk is the risk that change 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.

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.

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.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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.

3. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,646,060	\$ -	\$ -	\$ 1,646,060
Total capital assets not being depreciated	<u>1,646,060</u>	<u>-</u>	<u>-</u>	<u>1,646,060</u>
Capital assets being depreciated				
Land improvements	3,499,272	152,580	-	3,651,852
Buildings and improvements	15,098,863	5,171	-	15,104,034
Furniture and equipment	5,479,020	48,638	33,688	5,493,970
Total capital assets being depreciated	<u>24,077,155</u>	<u>206,389</u>	<u>33,688</u>	<u>24,249,856</u>
Less accumulated depreciation for				
Land improvements	3,038,936	113,431	-	3,152,367
Buildings and improvements	4,865,921	364,958	-	5,230,879
Furniture and equipment	3,926,011	225,154	33,688	4,117,477
Total accumulated depreciation	<u>11,830,868</u>	<u>703,543</u>	<u>33,688</u>	<u>12,500,723</u>
Total capital assets being depreciated, net	<u>12,246,287</u>	<u>(497,154)</u>	<u>-</u>	<u>11,749,133</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 13,892,347</u>	<u>\$ (497,154)</u>	<u>\$ -</u>	<u>\$ 13,395,193</u>

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

GOVERNMENTAL ACTIVITIES	
Recreation	<u>\$ 703,543</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 703,543</u>

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT

The following is a summary of changes in long-term debt for governmental activities for the year ended May 31, 2019:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
GOVERNMENTAL ACTIVITIES					
General Obligation Bond					
Series 2015	\$ 214,510	\$ -	\$ 214,510	\$ -	\$ -
Series 2017A	729,000	-	200,000	529,000	225,000
Series 2017B	179,000	-	-	179,000	-
Series 2018A	200,000	-	160,185	39,815	39,815
Series 2018B	304,810	-	-	304,810	304,810
Series 2018C (ARS)	-	2,000,000	-	2,000,000	105,000
Series 2019A	-	280,000	-	280,000	38,445
TOTAL GOVERNMENTAL ACTIVITIES					
	\$ 1,627,320	\$ 2,280,000	\$ 574,695	\$ 3,332,625	\$ 713,070

a. 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 2018A General Obligation Park Bond: Originally issued for \$200,000 dated January 22, 2018, provides for principal payments of \$39,815 to \$160,185 due December 1, 2018 - 2019; interest is payable on June and December 1 at 4.40%.

Series 2018B General Obligation Park Bond: Originally issued for \$304,810 dated January 22, 2018, provides for a principal payment of \$304,810 due December 1, 2019; interest is payable on June and December 1 at 3.06%.

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%.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

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%.

b. Debt Service to Maturity

The annual requirements to amortize to maturity debt outstanding as of May 31, 2019 are as follows:

Fiscal Year Ending May 31,	Governmental Activities	
	Principal	Interest
2020	\$ 713,070	\$ 181,591
2021	701,555	128,361
2022	343,000	90,834
2023	160,000	69,925
2024	220,000	63,125
2025	450,000	53,775
2026	465,000	33,525
2027	280,000	12,600
TOTAL	\$ 3,332,625	\$ 633,736

c. 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. No payments were made during the fiscal year ended May 31, 2019. As of May 31, 2019, the remaining pledge of principal and interest totaled \$2,490,231.

5. 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.

5. RISK MANAGEMENT (Continued)

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.

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.

6. EMPLOYEE RETIREMENT SYSTEMS

Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

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

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration

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

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

Plan Membership

At December 31, 2018, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	36
Active employees	<u>7</u>
TOTAL	<u><u>59</u></u>

Benefits

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the years ended December 31, 2018 and 2019 were 5.84% and 0.75%, respectively, of covered payroll.

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Asset valuation method	Market value

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

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2018 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The discount rate used in the December 31, 2017 valuation was 7.25%.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2018	\$ 3,550,097	\$ 4,149,597	\$ (599,500)
Changes for the period			
Service cost	32,047	-	32,047
Interest	260,037	-	260,037
Difference between expected and actual experience	221,333	-	221,333
Changes in assumptions	102,930	-	102,930
Employer contributions	-	24,677	(24,677)
Employee contributions	-	102,924	(102,924)
Net investment income	-	(218,069)	218,069
Benefit payments and refunds	(197,914)	(197,914)	-
Other (net transfer)	-	(15,133)	15,133
Net changes	418,433	(303,515)	721,948
BALANCES AT DECEMBER 31, 2018	\$ 3,968,530	\$ 3,846,082	\$ 122,448

Changes in assumptions related to the discount rate were made since the prior measurement date.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended May 31, 2019, the District incurred pension expense of \$16,783.

At May 31, 2019, the District had deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 32,675	\$ 9,074
Changes in assumption	15,196	28,225
Employer contributions after the measurement date	1,331	-
Net difference between projected and actual earnings on pension plan investments	283,746	-
TOTAL	\$ 332,948	\$ 37,299

\$1,331 of deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending May 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized through pension expense as follows:

Fiscal Year Ending May 31,	
2020	\$ 103,230
2021	44,914
2022	40,957
2023	105,217
TOTAL	\$ 294,318

The net pension liability (asset), deferred outflows of resources and deferred inflows of resources are not reported on the District's financial statements as the District reports on the modified cash basis of accounting as discussed in Note 1d.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 591,027	\$ 122,448	\$ (261,660)

7. INDIVIDUAL FUND DISCLOSURES

Advances To/From funds at May 31, 2019 consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 858,819
Recreation Fund	-	345,058
Liability Insurance	992,188	-
Debt Service Fund	-	196,296
Nonmajor Governmental	407,985	-
TOTAL	\$ 1,400,173	\$ 1,400,173

All amounts are related to operating deficits.

8. OTHER POSTEMPLOYMENT BENEFITS

The District has evaluated its potential other postemployment benefits liability. The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium.

KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

However, no former employees have chosen to stay in the District's health insurance plan. Additionally, the District had no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. As a result, the District has determined that no material liability is required to be reported under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition, the total other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources would not be reported on the District's financial statements as the District reports on the modified cash basis of accounting as discussed in Note 1d. Therefore, the District has not recorded any postemployment benefit liability as of May 31, 2019.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended May 31, 2019

	Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Taxes				
Property taxes		\$ 999,122	\$ 897,801	\$ (101,321)
Personal property replacement tax		157,000	157,922	922
Rental income		45,000	45,550	550
Investment income		-	54,024	54,024
Miscellaneous income		25,000	6,244	(18,756)
		<u>1,226,122</u>	<u>1,161,541</u>	<u>(64,581)</u>
EXPENDITURES PAID				
Current				
General government				
Salaries and employee benefits	\$ 634,810	529,008	203,515	(325,493)
Contractual services	256,676	213,897	212,021	(1,876)
Materials and supplies	44,820	37,350	53,928	16,578
Utilities	244,910	204,092	343,809	139,717
Miscellaneous	6,000	5,000	4,957	(43)
Repairs and maintenance	71,160	59,300	60,396	1,096
		<u>1,048,647</u>	<u>878,626</u>	<u>(170,021)</u>
Total expenditures paid	<u>\$ 1,258,376</u>	<u>1,048,647</u>	<u>878,626</u>	<u>(170,021)</u>
NET CHANGE IN FUND BALANCE		<u>\$ 177,475</u>	282,915	<u>\$ 105,440</u>
FUND BALANCE (DEFICIT), JUNE 1			<u>(339,905)</u>	
FUND BALANCE (DEFICIT), MAY 31			<u>\$ (56,990)</u>	

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION FUND

For the Year Ended May 31, 2019

	<u>Final Appropriation</u>	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES COLLECTED				
Taxes				
Property taxes		\$ 318,018	\$ 310,204	\$ (7,814)
Charges for services				
Recreation		85,782	69,694	(16,088)
Ice		400,000	380,623	(19,377)
Rental income		196,200	151,822	(44,378)
Miscellaneous income		25,000	1,729	(23,271)
		<u>1,025,000</u>	<u>914,072</u>	<u>(110,928)</u>
Total revenues collected				
EXPENDITURES PAID				
Current				
Recreation				
Ice				
Salaries and employee benefits	\$ -	-	140,126	140,126
Contractual services	-	-	24,503	24,503
Materials and supplies	353,995	294,996	73,862	(221,134)
Utilities	-	-	9,455	9,455
Capital outlay	-	-	2,985	2,985
River road and other recreation				
Salaries and employee benefits	248,877	207,397	512,812	305,415
Contractual services	38,400	32,000	60,768	28,768
Equipment and supplies	83,634	69,695	28,206	(41,489)
Utilities	-	-	14,097	14,097
Programs and special events	55,800	46,500	6,822	(39,678)
Repairs and maintenance	5,400	4,500	874	(3,626)
Concessions	-	-	1,159	1,159
Debt service				
Interest	-	-	59	59
		<u>\$ 786,106</u>	<u>655,088</u>	<u>875,728</u>
Total expenditures paid				220,640
NET CHANGE IN FUND BALANCE		<u>\$ 369,912</u>	38,344	<u>\$ (331,568)</u>
FUND BALANCE (DEFICIT), JUNE 1			<u>(157,709)</u>	
FUND BALANCE (DEFICIT), MAY 31			<u>\$ (119,365)</u>	

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIABILITY INSURANCE FUND

For the Year Ended May 31, 2019

	Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 113,290	\$ 110,506	\$ (2,784)
Total revenues collected		113,290	110,506	(2,784)
EXPENDITURES PAID				
Current				
General government	\$ 182,400	152,000	147,321	(4,679)
Total expenditures paid	\$ 182,400	152,000	147,321	(4,679)
NET CHANGE IN FUND BALANCE		\$ (38,710)	(36,815)	\$ 1,895
FUND BALANCE, JUNE 1			1,042,547	
FUND BALANCE, MAY 31			\$ 1,005,732	

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended May 31, 2019

	Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 678,880	\$ 662,199	\$ (16,681)
Total revenues collected		678,880	662,199	(16,681)
EXPENDITURES PAID				
Debt service				
Principal retirement	\$ 814,656	678,880	574,695	(104,185)
Interest and fiscal charges	-	-	157,355	157,355
Total expenditures paid	\$ 814,656	678,880	732,050	53,170
NET CHANGE IN FUND BALANCE		\$ -	(69,851)	\$ (69,851)
FUND BALANCE (DEFICIT), JUNE 1			(85,747)	
FUND BALANCE (DEFICIT), MAY 31			\$ (155,598)	

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended May 31, 2019

	Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
None	\$	-	\$	-
Total revenues collected		-	-	-
EXPENDITURES PAID				
Capital outlay	\$ 420,000	350,000	467,480	117,480
Debt service				
Issuance costs	-	-	53,908	53,908
Total expenditures paid	\$ 420,000	350,000	521,388	171,388
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENDITURES PAID		(350,000)	(521,388)	(171,388)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds		200,000	2,280,000	2,080,000
Total other financing sources (uses)		200,000	2,280,000	2,080,000
NET CHANGE IN FUND BALANCE		\$ (150,000)	1,758,612	\$ 1,908,612
FUND BALANCE, JUNE 1			169,642	
FUND BALANCE, MAY 31			\$ 1,928,254	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

COMBINING STATEMENT OF ASSETS, LIABILITIES, AND
FUND BALANCES ARISING FROM MODIFIED CASH TRANSACTIONS
NONMAJOR GOVERNMENTAL FUNDS

May 31, 2019

	Special Recreation	Social Security	IMRF	Total
ASSETS				
Cash and investments	\$ 35,453	\$ 20,441	\$ 113,290	\$ 169,184
Due from other governments	-	3,183	-	3,183
Advances to other funds	331,301	48,723	27,961	407,985
TOTAL ASSETS	\$ 366,754	\$ 72,347	\$ 141,251	\$ 580,352
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued payroll	\$ -	\$ -	\$ 3,306	\$ 3,306
TOTAL LIABILITES	-	-	3,306	3,306
FUND BALANCES				
Restricted				
Employee retirement	-	72,347	137,945	210,292
Special recreation	366,754	-	-	366,754
Total fund balances	366,754	72,347	137,945	577,046
TOTAL LIABILITIES AND FUND BALANCES	\$ 366,754	\$ 72,347	\$ 141,251	\$ 580,352

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

COMBINING STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended May 31, 2019

	Special Recreation	Social Security	Illinois Municipal Retirement	Total
REVENUES COLLECTED				
Taxes				
Property taxes	\$ 76,849	\$ -	\$ 72,642	\$ 149,491
Total revenues collected	76,849	-	72,642	149,491
EXPENDITURES PAID				
Current				
General government	-	14,422	4,196	18,618
Recreation	76,448	43,270	12,587	132,305
Total expenditures paid	76,448	57,692	16,783	150,923
NET CHANGE IN FUND BALANCES	401	(57,692)	55,859	(1,432)
FUND BALANCES, JUNE 1	366,353	130,039	82,086	578,478
FUND BALANCES, MAY 31	\$ 366,754	\$ 72,347	\$ 137,945	\$ 577,046

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL RECREATION FUND

For the Year Ended May 31, 2019

	Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ -	\$ 76,849	\$ 76,849
Total revenues collected		-	76,849	76,849
EXPENDITURES PAID				
Current				
Recreation				
Special recreation association fees	\$ 127,008	105,840	76,448	(29,392)
Total expenditures paid	\$ 127,008	105,840	76,448	(29,392)
NET CHANGE IN FUND BALANCE		\$ (105,840)	401	\$ 106,241
FUND BALANCE, JUNE 1			366,353	
FUND BALANCE, MAY 31			\$ 366,754	

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOCIAL SECURITY FUND

For the Year Ended May 31, 2019

	Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
None		\$ -	\$ -	\$ -
Total revenues collected		-	-	-
EXPENDITURES PAID				
Current				
General government	\$ 32,618	27,181	14,422	(12,759)
Recreation	97,853	81,545	43,270	(38,275)
Total expenditures paid	\$ 130,471	108,726	57,692	(51,034)
NET CHANGE IN FUND BALANCE		\$ (108,726)	(57,692)	\$ 51,034
FUND BALANCE, JUNE 1			130,039	
FUND BALANCE, MAY 31			\$ 72,347	

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended May 31, 2019

	Final Appropriation	Original and Final Budget	Actual	Variance with Final Budget
REVENUES COLLECTED				
Property taxes		\$ 74,472	\$ 72,642	\$ (1,830)
Total revenues collected		74,472	72,642	(1,830)
EXPENDITURES PAID				
Current				
General government	\$ 13,060	10,883	4,196	(6,687)
Recreation	39,179	32,649	12,587	(20,062)
Total expenditures paid	\$ 52,239	43,532	16,783	(26,749)
NET CHANGE IN FUND BALANCE		\$ 30,940	55,859	\$ 24,919
FUND BALANCE, JUNE 1			82,086	
FUND BALANCE, MAY 31			\$ 137,945	

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

NOTES TO SUPPLEMENTARY INFORMATION

May 31, 2019

BUDGETS

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 2019.

The following funds had expenditures greater than the appropriation for the year ended May 31, 2019:

Fund	Actual Expenditures	Appropriation
Recreation Fund	\$ 875,728	\$ 786,106
Capital Projects Fund	521,388	420,000

OTHER INFORMATION

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

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

Last Four Fiscal Years

FISCAL YEAR ENDED MAY 31,	2016	2017	2018	2019
Actuarially determined contribution	\$ 66,617	\$ 39,849	\$ 30,061	\$ 16,783
Contributions in relation to the actuarially determined contribution	66,617	39,849	30,061	16,783
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$807,532	\$526,991	\$420,038	\$442,088
Contributions as a percentage of covered payroll	8.25%	7.56%	7.16%	3.80%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years until the remaining period reaches ten years (then ten-year rolling period); the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and price inflation of 2.75%.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**KANKAKEE VALLEY PARK DISTRICT
KANKAKEE, ILLINOIS**

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 76,679	\$ 79,331	\$ 73,497	\$ 32,047
Interest	247,881	260,106	260,289	260,037
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(51,290)	(157,247)	(6,722)	221,333
Changes of assumptions	-	-	(100,089)	102,930
Benefit payments, including refunds of member contributions	(90,800)	(132,375)	(221,298)	(197,914)
Net change in total pension liability	182,470	49,815	5,677	418,433
Total pension liability - beginning	3,312,135	3,494,605	3,544,420	3,550,097
TOTAL PENSION LIABILITY - ENDING	\$ 3,494,605	\$ 3,544,420	\$ 3,550,097	\$ 3,968,530
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 66,502	\$ 52,535	\$ 38,786	\$ 24,677
Contributions - member	34,031	31,818	17,800	102,924
Net investment income	17,643	232,972	591,354	(218,069)
Benefit payments, including refunds of member contributions	(90,800)	(132,375)	(221,298)	(197,914)
Other	(220,961)	127,930	79,867	(15,133)
Net change in plan fiduciary net position	(193,585)	312,880	506,509	(303,515)
Plan fiduciary net position - beginning	3,523,793	3,330,208	3,643,088	4,149,597
PLAN FIDUCIARY NET POSITION - ENDING	\$ 3,330,208	\$ 3,643,088	\$ 4,149,597	\$ 3,846,082
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 164,397	\$ (98,668)	\$ (599,500)	\$ 122,448
Plan fiduciary net position as a percentage of the total pension liability	95.30%	102.78%	116.89%	96.91%
Covered payroll	\$ 748,094	\$ 707,064	\$ 395,545	\$ 422,553
Employer's net pension liability (asset) as a percentage of covered payroll	21.98%	(13.95%)	(151.56%)	28.98%
Assumption Changes				

2017 - changes in assumptions related to inflation rates, salary rates and mortality rates

2018 - changes in assumptions related to the investment rate of return

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)