

KANKAKEE VALLEY PARK DISTRICT
Annual Financial Statements

As of and for the year ended
May 31, 2020

**Kankakee Valley Park District
Annual Financial Statements
Table of Contents**

	<u>Page</u>
Independent Auditor’s Report	1-2
 General Purpose External Financial Statements	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position - Modified Cash Basis	3
Statement of Activities - Modified Cash Basis	4
Fund Financial Statements	
Governmental Funds	
Statement of Assets, Liabilities, and Fund Balances - Modified Cash Basis	5
Reconciliation of the Governmental Funds-Statement of Assets, Liabilities and Fund Balances-Modified Cash Basis to the Governmental Activities in the Statement of Net Position – Modified Cash Basis	6
Statement of Revenues, Expenditures and Changes in Fund Balances-Modified Cash Basis	7
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	8
Notes to Financial Statements	9-21
 Supplementary Information	
 Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
Budgetary Comparison Schedule-Modified Cash Basis:	
General Fund	22
Recreation Fund	23
Liability Insurance Fund	24
Debt Service Fund	25
Capital Projects Fund.....	26
Nonmajor Governmental Funds	
Combining Statement of Assets, Liabilities, and Fund Balances- Modified Cash Basis	27
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	28
Budgetary Comparison Schedule-Modified Cash Basis:	
Special Recreation Fund	29
Social Security Fund	30
Illinois Municipal Retirement Fund (IMRF)	31
Notes to Supplementary Information and Tort Expenditures	32
 Illinois Municipal Retirement Fund Supplementary Information.....	 33-37

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, 2020 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, as of May 31, 2020, 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.

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.

SKDO, P.C.

Bourbonnais, Illinois
October 7, 2020

Kankakee Valley Park District, Illinois
Statement of Net Position-Modified Cash Basis
May 31, 2020

Exhibit A

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 2,145,489
Cash held at paying agent	28,596
Capital assets	
Non-depreciable capital assets	2,740,562
Depreciable capital assets, net	11,239,478
Total current assets	<u>16,073,690</u>
Liabilities	
Accounts payable and accrued expenses	2,740
Long-term liabilities	
Due within one year	809,355
Due in more than one year	2,109,935
Total liabilities	<u>2,922,030</u>
Net Position	
Net investment in capital assets	11,816,322
Restricted for:	
Liability insurance	860,828
Capital projects	755,572
Special recreation	393,179
Employee retirement	318,877
Unrestricted	(912,683)
Total net position	<u>\$ 13,232,095</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, 2020

Exhibit B

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:				
General government	\$ 1,248,510	\$ -	\$ -	\$ (1,248,510)
Recreation	1,609,862	551,934	-	(1,057,928)
Interest expense	182,525	-	-	(182,525)
Total governmental activities	<u>3,040,897</u>	<u>551,934</u>	<u>-</u>	<u>(2,488,963)</u>
			General revenues:	
			Property taxes	2,263,436
			Replacement taxes	172,866
			Interest	58,391
			Miscellaneous	11,973
			Gain (loss) on sale of assets	(27,255)
			Total general revenues	<u>2,479,411</u>
			Change in net position	(9,552)
			Net position-beginning	<u>13,241,647</u>
			Net position-ending	<u>\$ 13,232,095</u>

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, 2020

Exhibit C

	General Fund	Recreation Fund	Liability Insurance Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 38,109	\$ 964	\$ 399,192	\$ -	\$ 1,049,108	\$ 658,116	\$ 2,145,489
Cash held at paying agent	-	-	-	28,596	-	-	28,596
Due from other funds	64,457	-	461,636	-	-	57,246	583,339
Total assets	<u>\$ 102,566</u>	<u>\$ 964</u>	<u>\$ 860,828</u>	<u>\$ 28,596</u>	<u>\$ 1,049,108</u>	<u>\$ 715,362</u>	<u>\$ 2,757,424</u>
Liabilities							
Accounts payable and accrued expenses	\$ (194)	\$ -	\$ -	\$ -	\$ -	\$ 2,934	\$ 2,740
Due to other funds	-	80,435	-	208,996	293,536	372	583,339
Total liabilities	<u>(194)</u>	<u>80,435</u>	<u>-</u>	<u>208,996</u>	<u>293,536</u>	<u>3,306</u>	<u>586,079</u>
Fund Balance							
Restricted for:							
Liability insurance	-	-	860,828	-	-	-	860,828
Capital projects	-	-	-	-	755,572	-	755,572
Special recreation	-	-	-	-	-	393,179	393,179
Employee retirement	-	-	-	-	-	318,877	318,877
Unrestricted:							
Unassigned	102,760	(79,471)	-	(180,400)	-	-	(157,111)
Total fund balances	<u>102,760</u>	<u>(79,471)</u>	<u>860,828</u>	<u>(180,400)</u>	<u>755,572</u>	<u>712,056</u>	<u>2,171,345</u>
Total liabilities and fund balances	<u>\$ 102,566</u>	<u>\$ 964</u>	<u>\$ 860,828</u>	<u>\$ 28,596</u>	<u>\$ 1,049,108</u>	<u>\$ 715,362</u>	<u>\$ 2,757,424</u>

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

Kankakee Valley Park District, Illinois
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, 2020

Exhibit D

Total fund balances for governmental funds (Exhibit C)	\$ 2,171,345
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.	13,980,040
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>(2,919,290)</u>
Total net position of governmental activities (Exhibit A)	<u>\$ 13,232,095</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, 2020

Exhibit E

	General Fund	Recreation Fund	Liability Insurance Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Funds	Totals Governmental Funds
Revenues:							
Taxes	\$ 1,134,781	\$ 330,170	\$ -	\$ 682,451	\$ -	\$ 288,900	\$ 2,436,302
Charges for services	-	413,512	-	-	-	-	413,512
Rent	45,562	92,860	-	-	-	-	138,422
Interest	55,172	-	-	3,219	-	-	58,391
Other	10,000	1,973	-	-	-	-	11,973
Total revenues	<u>1,245,515</u>	<u>838,515</u>	<u>-</u>	<u>685,670</u>	<u>-</u>	<u>288,900</u>	<u>3,058,600</u>
Expenditures							
Current:							
General government	1,085,765	-	107,982	-	-	47,725	1,241,472
Recreation	-	766,775	-	-	-	106,165	872,940
Capital outlay	-	31,846	36,922	-	1,270,402	-	1,339,170
Debt service:							
Principal	-	-	-	713,070	-	-	713,070
Interest and fiscal charges	-	-	-	199,417	-	-	199,417
Total expenditures	<u>1,085,765</u>	<u>798,621</u>	<u>144,904</u>	<u>912,487</u>	<u>1,270,402</u>	<u>153,890</u>	<u>4,366,069</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>159,750</u>	<u>39,894</u>	<u>(144,904)</u>	<u>(226,817)</u>	<u>(1,270,402)</u>	<u>135,010</u>	<u>(1,307,469)</u>
Other financing sources (uses):							
Issuance of bonds	-	-	-	202,015	97,720	-	299,735
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,015</u>	<u>97,720</u>	<u>-</u>	<u>299,735</u>
Net change in fund balance	<u>159,750</u>	<u>39,894</u>	<u>(144,904)</u>	<u>(24,802)</u>	<u>(1,172,682)</u>	<u>135,010</u>	<u>(1,007,734)</u>
Fund balance (deficit), beginning of year	<u>(56,990)</u>	<u>(119,365)</u>	<u>1,005,732</u>	<u>(155,598)</u>	<u>1,928,254</u>	<u>577,046</u>	<u>3,179,079</u>
Fund balance (deficit), end of year	<u>\$ 102,760</u>	<u>\$ (79,471)</u>	<u>\$ 860,828</u>	<u>\$ (180,400)</u>	<u>\$ 755,572</u>	<u>\$ 712,056</u>	<u>\$ 2,171,345</u>

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

Kankakee Valley Park District, Illinois
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, 2020

Exhibit F

Net change in fund balances - total governmental funds (Exhibit E)	\$ (1,007,734)
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	1,290,033
Depreciation expense	(677,931)
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.	
	-
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	
	(299,735)
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>713,070</u>
Change in net position of governmental activities (Exhibit B)	<u><u>\$ 17,703</u></u>

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

Kankakee Valley Park District
Notes to Financial Statements
As of and for the year ended May 31, 2020

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 acquisitions, 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 Village, 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
Notes to Financial Statements
As of and for the year ended May 31, 2020

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.

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
Notes to Financial Statements
As of and for the year ended May 31, 2020

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, 2020.

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
Notes to Financial Statements
As of and for the year ended May 31, 2020

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
Notes to Financial Statements
As of and for the year ended May 31, 2020

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 2018 and collected in 2019 are recorded as revenues for fiscal year ended May 31, 2020.

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
Notes to Financial Statements
As of and for the year ended May 31, 2020

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, 2020, 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, 2020.

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.

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.

Kankakee Valley Park District
Notes to Financial Statements
As of and for the year ended May 31, 2020

Note 3 – Capital Assets

Capital asset activity for the year ended May 31, 2020 was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Capital assets not being depreciated:				
Land	\$ 1,646,060	\$ -	\$ -	\$ 1,646,060
Construction in progress	<u>-</u>	<u>1,094,502</u>	<u>-</u>	<u>1,094,502</u>
Total capital assets not being depreciated	<u>1,646,060</u>	<u>1,094,502</u>	<u>-</u>	<u>2,740,562</u>
Capital assets being depreciated:				
Land improvements	3,651,852	141,748	30,750	3,762,850
Buildings and improvements	15,104,034	45,395	36,197	15,113,232
Furniture and equipment	<u>5,493,970</u>	<u>8,388</u>	<u>-</u>	<u>5,502,358</u>
Total capital assets being depreciated	<u>24,249,856</u>	<u>195,531</u>	<u>66,947</u>	<u>24,378,440</u>
Less accumulated depreciation for:				
Land improvements	3,152,367	89,389	17,169	3,224,587
Buildings and improvements	5,230,879	364,911	22,523	5,573,267
Furniture and equipment	<u>4,117,477</u>	<u>223,631</u>	<u>-</u>	<u>4,341,108</u>
Total accumulated depreciation	<u>12,500,723</u>	<u>677,931</u>	<u>39,692</u>	<u>13,138,962</u>
Total capital assets being depreciated, net	<u>11,749,133</u>	<u>(482,400)</u>	<u>27,255</u>	<u>11,239,478</u>
Governmental activities, net	<u>\$13,395,193</u>	<u>\$ 612,102</u>	<u>\$27,255</u>	<u>\$13,980,040</u>

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

Governmental Activities	
Recreation	<u>\$677,931</u>

Note 4 – Long-Term Debt

The following is a summary of changes in long-term debt for governmental activities for the year ended May 31, 2020:

	<u>Beginning</u> <u>Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balances</u>	<u>Current</u> <u>Portion</u>
Governmental Activities					
General Obligation Bond					
Series 2017A	\$ 529,000	\$ -	\$225,000	\$ 304,000	\$225,000
Series 2017B	179,000	-	-	179,000	75,000
Series 2018A	39,815	-	39,815	-	-
Series 2018B	304,810	-	304,810	-	-
Series 2018C (ARS)	2,000,000	-	105,000	1,895,000	160,000
Series 2019A	280,000	-	38,445	241,555	241,555
Series 2019 B	<u>-</u>	<u>299,735</u>	<u>-</u>	<u>299,735</u>	<u>107,800</u>
Total Governmental Activities	<u>\$3,332,625</u>	<u>\$299,735</u>	<u>\$713,070</u>	<u>\$2,919,290</u>	<u>\$809,355</u>

Kankakee Valley Park District
Notes to Financial Statements
As of and for the year ended May 31, 2020

Note 4 – Long-Term Debt (Continued)

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%.

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.

Debt Service to Maturity

The annual requirements to amortize debt outstanding as of May 31, 2020 are as follows:

Fiscal Year Ending May 31,	Principal	Interest	Total
2021	\$ 809,355	\$139,957	\$ 949,312
2022	534,935	93,713	628,648
2023	160,000	69,925	229,925
2024	220,000	63,125	283,125
2025	450,000	53,775	503,775
2026-2027	<u>745,000</u>	<u>46,125</u>	<u>791,125</u>
Total	<u>\$2,919,290</u>	<u>\$466,620</u>	<u>\$3,385,910</u>

Kankakee Valley Park District
Notes to Financial Statements
As of and for the year ended May 31, 2020

Note 4 – Long-Term Debt (Continued)

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 \$202,031 were made during the fiscal year ended May 31, 2020 from the proceeds of the 2019B bond issue. As of May 31, 2020, the remaining pledge of principal and interest totaled \$2,288,200.

Note 5 – Restricted Fund Balance and Net Position

On May 31, 2020, restricted fund balance and net position consists of the following:

Restricted for:	<u>Fund Balance</u>	<u>Net Position</u>
Liability insurance – tax levies	\$ 860,828	\$ 860,828
Capital projects – tax levies/bond proceeds	755,572	755,572
Special recreation – tax levies	393,179	393,179
Retirement – tax levies	<u>318,877</u>	<u>318,877</u>
	<u>\$2,328,456</u>	<u>\$2,328,456</u>

Note 6 - 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.

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.

Kankakee Valley Park District
Notes to Financial Statements
As of and for the year ended May 31, 2020

Note 6 - Risk Management (Continued)

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 7 - 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.

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.

Kankakee Valley Park District
Notes to Financial Statements
As of and for the year ended May 31, 2020

Note 7 -Pension Plan (Continued)

Employees Covered by Benefit Terms

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries	16
Inactive, non-retired members	31
Active members	<u>12</u>
Total	<u>59</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 2019 was 0.75% and for 2020 is 5.849%. For the fiscal year ended May 31, 2020, the District contributed \$14,503 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 8 - Individual Fund Disclosures

Advances to/from funds at May 31, 2020 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 64,457	\$ -
Recreation Fund	-	80,435
Liability Insurance Fund	461,636	-
Debt Service Fund	-	208,996
Capital Projects Fund	-	293,536
Nonmajor Governmental Funds	<u>57,246</u>	<u>372</u>
Total	<u>\$583,339</u>	<u>\$583,339</u>

All amounts are related to operating deficits.

Note 9 – 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.

Kankakee Valley Park District
Notes to Financial Statements
As of and for the year ended May 31, 2020

Note 9 – Other Postemployment Benefits (Continued)

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. The amounts related to this other-post employment plan that should be disclosed under GASB Statement No. 75 have not been determined.

Note 10 – 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, 2020 were approximately \$400.

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.

The total TIF abatements from the District during the year ended May 31, 2020 were approximately \$61,000.

Kankakee Valley Park District
Notes to Financial Statements
As of and for the year ended May 31, 2020

Note 11 – 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 exposure globally. As a result, the Governor of Illinois issued Executive Orders mandating non-essential businesses, school districts, and others to close or operate with significant restrictions and residents were initially mandated to shelter in place. The Governor of Illinois has since issued a 5-phase plan to reopen Illinois. As of the date of this report, Illinois is in Phase 4 of that plan with various restrictions still in place.

The District’s operations are heavily dependent on property and replacement tax revenues. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of global economic slowdown. This situation is expected to depress the tax bases and adversely affect other areas in which the District receives revenue during fiscal year 2021. The full impact of the COVID-19 outbreak continues to evolve 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, if the pandemic continues, it may have an adverse effect on the District’s results of future operations and financial position in fiscal year 2021.

**Budgetary Comparison Schedule-
Modified Cash Basis-General Fund
For the year ended May 31, 2020**

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes			
Property taxes	\$ 976,408	\$ 961,915	\$ (14,493)
Personal property replacement tax	145,000	172,866	27,866
Rental income	45,500	45,562	62
Investment income	-	55,172	55,172
Miscellaneous income	-	10,000	10,000
Total revenues	<u>1,166,908</u>	<u>1,245,515</u>	<u>78,607</u>
Expenditures:			
Current			
General government			
Salaries and employee benefits	498,635	502,368	3,733
Contractual services	87,400	71,922	(15,478)
Materials and supplies	51,000	42,559	(8,441)
Utilities	335,000	285,717	(49,283)
Miscellaneous	115,125	114,437	(688)
Repairs and maintenance	75,500	68,762	(6,738)
Total expenditures	<u>1,162,660</u>	<u>1,085,765</u>	<u>(76,895)</u>
Net change in fund balance	<u>\$ 4,248</u>	159,750	<u>\$ 155,502</u>
Fund balance (deficit), beginning of the year		<u>(56,990)</u>	
Fund balance, end of year		<u>\$ 102,760</u>	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-Recreation Fund
For the year ended May 31, 2020

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Taxes			
Property taxes	\$ 335,145	\$ 330,170	\$ (4,975)
Charges for services			
Recreation	26,400	42,814	16,414
Ice Valley	350,000	370,638	20,638
Splash Valley	331,478	60	(331,418)
Rental income	168,000	92,860	(75,140)
Miscellaneous income	55,000	1,973	(53,027)
	<u>1,266,023</u>	<u>838,515</u>	<u>(427,508)</u>
Expenditures:			
Current			
Recreation			
Ice			
Salaries and employee benefits	248,000	158,362	(89,638)
Contractual services	-	2,999	2,999
Material and supplies	-	71,116	71,116
Capital outlay	-	31,846	31,846
Splash Valley			
Material and supplies	323,210	108	(323,102)
River road and other recreation			
Salaries and employee benefits	384,007	245,446	(138,561)
Contractual services	329,000	230,926	(98,074)
Equipment and supplies	94,200	26,731	(67,469)
Programs and special events	70,000	5,110	(64,890)
Repairs and maintenance	4,500	7,183	2,683
Concessions	-	5,932	5,932
Other	5,000	12,862	7,862
	<u>1,457,917</u>	<u>798,621</u>	<u>(659,296)</u>
Other financing sources (uses):			
Transfer in	200,000	-	(200,000)
Total other financing sources (uses)	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Net change in fund balance	<u>\$ 8,106</u>	39,894	<u>\$ (168,212)</u>
Fund balance (deficit), beginning of year		<u>(119,365)</u>	
Fund balance (deficit), end of year		<u>\$ (79,471)</u>	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-Liability Insurance Fund
For the year ended May 31, 2020

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Current			
General government	104,232	107,982	3,750
Capital outlay	-	36,922	36,922
Total expenditures	104,232	144,904	40,672
Net change in fund balance	<u>\$ (104,232)</u>	(144,904)	<u>\$ (40,672)</u>
Fund balance, beginning of year		<u>1,005,732</u>	
Fund balance, end of year		<u>\$ 860,828</u>	

Budgetary Comparison Schedule-
Modified Cash Basis-Debt Service Fund
For the year ended May 31, 2020

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 692,732	\$ 682,451	\$ (10,281)
Interest	-	3,219	3,219
Total revenues	692,732	685,670	(7,062)
Expenditures:			
Debt Service			
Principal retirement	-	713,070	713,070
Interest and fiscal charges	710,000	199,417	(510,583)
Total expenditures	710,000	912,487	202,487
Excess (deficiency) of revenues collected over expenditures paid	(17,268)	(226,817)	(209,549)
Other financing sources (uses)			
Issuance of bonds	-	202,015	202,015
Total other financing sources (uses)	-	202,015	202,015
Net change in fund balance	\$ (17,268)	(24,802)	\$ (7,534)
Fund balance (deficit), beginning of year		(155,598)	
Fund balance (deficit), end of year		\$ (180,400)	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis - Capital Projects Fund
For the year ended May 31, 2020

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Capital outlay	2,418,300	1,270,402	(1,147,898)
Total expenditures	2,418,300	1,270,402	(1,147,898)
Excess (deficiency) of revenues collected over expenditures paid	(2,418,300)	(1,270,402)	1,147,898
Other financing sources (uses)			
Issuance of bonds	-	97,720	97,720
Total other financing sources (uses)	-	97,720	97,720
Net change in fund balance	<u>\$ (2,418,300)</u>	(1,172,682)	<u>\$ 1,245,618</u>
Fund balance, beginning of year		<u>1,928,254</u>	
Fund balance, end of year		<u>\$ 755,572</u>	

Kankakee Valley Park District, Illinois
Combining Statement of Assets, Liabilities, and Fund Balances-
Modified Cash Basis
Nonmajor Governmental Funds
May 31, 2020

	Special Recreation Fund	Social Security Fund	IMRF Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 393,179	\$ 71,565	\$ 193,372	\$ 658,116
Due from other funds	-	57,246	-	57,246
Total assets	<u>\$ 393,179</u>	<u>\$ 128,811</u>	<u>\$ 193,372</u>	<u>\$ 715,362</u>
Liabilities				
Accounts payable and accrued expenses	\$ -	\$ -	\$ 2,934	\$ 2,934
Due to other funds	-	-	372	372
Total liabilities	<u>-</u>	<u>-</u>	<u>3,306</u>	<u>3,306</u>
Fund Balance				
Restricted for:				
Employee retirement	-	128,811	190,066	318,877
Special recreation	393,179	-	-	393,179
Total fund balances	<u>393,179</u>	<u>128,811</u>	<u>190,066</u>	<u>712,056</u>
Total liabilities and fund balances	<u>\$ 393,179</u>	<u>\$ 128,811</u>	<u>\$ 193,372</u>	<u>\$ 715,362</u>

Kankakee Valley Park District, Illinois
Statement of Revenues, Expenditures and
Changes in Fund Balance-Modified Cash Basis
Nonmajor Governmental Funds
For the year ended May 31, 2020

	Special Recreation Fund	Social Security Fund	IMRF Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 104,358	\$ 117,918	\$ 66,624	\$ 288,900
Total revenues	<u>104,358</u>	<u>117,918</u>	<u>66,624</u>	<u>288,900</u>
Expenditures				
Current:				
General government	-	36,600	11,125	47,725
Recreation	77,933	24,854	3,378	106,165
Total expenditures	<u>77,933</u>	<u>61,454</u>	<u>14,503</u>	<u>153,890</u>
Net change in fund balance	26,425	56,464	52,121	135,010
Fund balance, beginning of year	366,754	72,347	137,945	577,046
Fund balance, end of year	<u>\$ 393,179</u>	<u>\$ 128,811</u>	<u>\$ 190,066</u>	<u>\$ 712,056</u>

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-Special Recreation Fund
For the year ended May 31, 2020

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 105,930	\$ 104,358	\$ (1,572)
Total revenues	<u>105,930</u>	<u>104,358</u>	<u>(1,572)</u>
Expenditures:			
Current			
Recreation			
Special recreation association fees	103,115	77,933	(25,182)
Total expenditures	<u>103,115</u>	<u>77,933</u>	<u>(25,182)</u>
Net change in fund balance	<u>\$ 2,815</u>	26,425	<u>\$ 23,610</u>
Fund balance, beginning of year		<u>366,754</u>	
Fund balance, end of year		<u>\$ 393,179</u>	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-Social Security Fund
For the year ended May 31, 2020

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 119,695	\$ 117,918	\$ (1,777)
Total revenues	<u>119,695</u>	<u>117,918</u>	<u>(1,777)</u>
Expenditures:			
Current			
General government	84,578	36,600	(47,978)
Recreation	-	24,854	24,854
Total expenditures	<u>84,578</u>	<u>61,454</u>	<u>(23,124)</u>
Net change in fund balance	<u>\$ 35,117</u>	56,464	<u>\$ 21,347</u>
Fund balance, beginning of year		<u>72,347</u>	
Fund balance, end of year		<u>\$ 128,811</u>	

Kankakee Valley Park District, Illinois
Budgetary Comparison Schedule-
Modified Cash Basis-IMRF Fund
For the year ended May 31, 2020

	Original and Final Budget	Actual	Over (Under) Budget
Revenues:			
Property taxes	\$ 67,627	\$ 66,624	\$ (1,003)
Total revenues	<u>67,627</u>	<u>66,624</u>	<u>(1,003)</u>
Expenditures:			
Current			
General government	63,574	11,125	(52,449)
Recreation	-	3,378	3,378
Total expenditures	<u>63,574</u>	<u>14,503</u>	<u>(49,071)</u>
Net change in fund balance	<u>\$ 4,053</u>	52,121	<u>\$ 48,068</u>
Fund balance, beginning of year		<u>137,945</u>	
Fund balance, end of year		<u>\$ 190,066</u>	

Kankakee Valley Park District
Notes to Supplementary Information and Tort Expenditures
As of and for the year ended May 31, 2020

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 2020.

The following funds had expenditures greater than the appropriation for the year ended May 31, 2020:

<u>Fund</u>	<u>Actual Expenditures</u>	<u>Appropriation</u>
Liability Insurance Fund	\$144,904	\$104,232
Debt Service Fund	912,487	710,000

Tort Expenditures

Disclosure of Tort Expenditures under PA 91-0628: \$114,904

Kankakee Valley Park District
Illinois Municipal Retirement Fund Supplementary Information
As of and for the year ended May 31, 2020

Net Pension Liability

The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions-Total Pension Liability:

The following are the methods and assumptions used to determine the total pension liability at December 31, 2019:

Actuarial Cost Method	Entry Age Normal Asset
Valuation Method	Market Value of Assets
Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
Mortality	For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF- specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2019 Illinois Municipal Retirement Fund annual actuarial valuation report.

The long-term expected rate of return on pension plan investments was determined using a building- block method in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	37%	5.75%
International equity	18%	6.50%
Fixed income	28%	3.25%
Real estate	9%	5.20%
Alternative investments	7%	3.60%-7.60%
Cash equivalents	1%	1.85%
Total	<u>100%</u>	

Kankakee Valley Park District
Illinois Municipal Retirement Fund Supplementary Information
As of and for the year ended May 31, 2020

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 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, 2019	<u>\$3,968,530</u>	<u>\$3,846,082</u>	<u>\$ 122,448</u>
Charges for the period:			
Service cost	39,397	-	39,397
Interest	279,995	-	279,995
Change in benefit terms	-	-	-
Difference between expected and actual experience	164,927	-	164,927
Changes in assumptions	-	-	-
Employer contributions	-	3,702	(3,702)
Employee contributions	-	23,358	(23,358)
Net investment income	-	715,744	(715,744)
Benefit payments and refunds	(252,466)	(252,466)	-
Other (net transfer)	-	37,549	(37,549)
Net changes	<u>231,853</u>	<u>527,887</u>	<u>(296,034)</u>
Balances at December 31, 2019	<u>\$4,200,383</u>	<u>\$4,373,969</u>	<u>\$ (173,586)</u>

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 1.

**Kankakee Valley Park District
 Illinois Municipal Retirement Fund Supplementary Information
 As of and for the year ended May 31, 2020**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the Plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher.

	1% Lower <u>(6.25%)</u>	Current Discount <u>(7.25%)</u>	1% Higher <u>(8.25%)</u>
Net Pension Liability (Asset)	\$328,463	\$(173,586)	\$(581,381)

Methods and Assumptions Used to Determine 2019 Contribution Rates*

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 24-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	13.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
<i>Mortality:</i>	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2017 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2017 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2017, actuarial valuation.

Kankakee Valley Park District
Illinois Municipal Retirement Fund Supplementary Information
As of and for the year ended May 31, 2020

Schedule of Employer Contributions

Fiscal Year Ended May 31,	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actually determined contribution	\$ 66,617	\$ 39,849	\$ 30,061	\$ 16,783	\$ 14,503
Contributions in relation to the actuarially determined contribution	<u>66,617</u>	<u>39,849</u>	<u>30,061</u>	<u>16,783</u>	<u>14,503</u>
Contribution deficiency (excess)	\$ <u> </u> -	\$ <u> </u> -	\$ <u> </u> -	\$ <u> </u> -	\$ <u> </u> -
Covered payroll	\$807,532	\$526,991	\$420,038	\$442,088	\$523,911
Contributions as a percentage of covered payroll	8.25%	7.56%	7.16%	3.80%	2.77%

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.

Kankakee Valley Park District
Illinois Municipal Retirement Fund Supplementary Information
As of and for the year ended May 31, 2020

**Schedule of Changes in the Net Pension Liability and
Related Ratios Most Recent Calendar Years**

Calendar year Ended December 31, 2019	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability					
Service cost	\$ 39,397	\$ 32,047	\$ 73,497	\$ 79,331	\$ 76,679
Interest	279,995	260,037	260,289	260,106	247,881
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	164,927	221,333	(6,722)	(157,247)	(51,290)
Changes of assumptions	-	102,930	(100,089)	-	-
Benefit payments, including refunds of member contributions	<u>(252,466)</u>	<u>(197,914)</u>	<u>(221,298)</u>	<u>(132,375)</u>	<u>(90,800)</u>
Net change in total pension liability	231,853	418,433	5,677	49,815	182,470
Total Pension Liability-Beginning	<u>3,968,530</u>	<u>3,550,097</u>	<u>3,544,420</u>	<u>3,494,605</u>	<u>3,312,135</u>
Total Pension Liability-Ending (A)	<u>\$4,200,383</u>	<u>\$3,968,530</u>	<u>\$3,550,097</u>	<u>\$3,544,420</u>	<u>\$3,494,605</u>
Plan Fiduciary Net Position					
Contributions – employer	\$ 3,702	\$ 24,677	\$ 38,786	\$ 52,535	\$ 66,502
Contributions – employees	23,358	102,924	17,800	31,818	34,031
Net investment income	715,744	(218,069)	591,354	232,972	17,643
Benefit payments, including refunds of employee contributions	(252,466)	(197,914)	(221,298)	(132,375)	(90,800)
Other (net transfer)	<u>37,549</u>	<u>(15,133)</u>	<u>79,867</u>	<u>127,930</u>	<u>(220,961)</u>
Net change in Plan Fiduciary Net Position	527,887	(303,515)	506,509	312,880	(193,585)
Plan Fiduciary Net Position-Beginning	<u>3,846,082</u>	<u>4,149,597</u>	<u>3,643,088</u>	<u>3,330,208</u>	<u>3,523,793</u>
Plan Fiduciary Net Position-Ending (B)	<u>\$4,373,969</u>	<u>\$3,846,082</u>	<u>\$4,149,597</u>	<u>\$3,643,088</u>	<u>\$3,330,208</u>
Net position liability (asset) – ending (A) – (B)	<u>\$ (173,586)</u>	<u>\$ 122,448</u>	<u>\$ (599,500)</u>	<u>\$ (98,688)</u>	<u>\$ 164,397</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.13%	96.91%	116.89%	102.78%	95.30%
Covered Payroll	\$ 493,636	\$ 422,553	\$ 395,545	\$ 707,064	\$ 748,094
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(35.16)%	28.98%	(151.56)%	(13.95)%	21.98%

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

2019-no changes in assumptions

Notes to Schedule: This schedule is presented to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.