

***Pekin Park District
Pekin, IL***

***Annual Financial Report
December 31, 2021***



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BLOOMINGTON OFFICE
2817 Reed Road, Suite 2
Bloomington, IL 61704
309.663.1120 | 309.663.7277 fax
www.hjerpecpa.com



PEKIN OFFICE
1415 Valle Vista Blvd.
Pekin, IL 61554
309.346.4106 | 309.346.7300 fax
www.hjerpecpa.com

Eric Hjerpe, CPA
Brett Tennison, CPA, MBA

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Pekin Park District, IL

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Pekin Park District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Pekin Park District's basic financial statements as listed in the table of contents.

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Pekin Park District, as of December 31, 2021, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pekin Park District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management 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, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Pekin Park District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pekin Park District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pekin Park District's basic financial statements. The major fund budgetary comparison information, the proprietary fund budgetary comparison information, the non-major fund combining statements, and the non-major fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the defined benefit plan information, the schedules of long-term debt requirements, and the assessed valuations, rates, extensions, and collections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hjerpe & Tennison CPAs, LLC

Pekin, Illinois

March 24, 2023

Pekin Park District
Statement of Net Position - Modified Cash Basis
December 31, 2021

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Current assets			
Cash, deposits, and cash equivalents	\$ 1,584,768	\$ 3,500	\$ 1,588,268
Investments	824,181	-	824,181
Interfund balances	436,476	(436,476)	-
Inventories	-	27,275	27,275
Non current assets			
Land	5,358,469	712,029	6,070,498
Construction in progress	577,813	-	577,813
Capital assets, net of depreciation	6,998,368	1,722,515	8,720,883
Total assets	<u>15,780,075</u>	<u>2,028,843</u>	<u>17,808,918</u>
LIABILITIES			
Current liabilities			
Accrued Liabilities	-	1,221	1,221
Non current liabilities			
Bonds payable, due within one year	898,330	-	898,330
Bonds payable, due in more than one year	8,040,830	-	8,040,830
Total liabilities	<u>8,939,160</u>	<u>1,221</u>	<u>8,940,381</u>
DEFERRED INFLOWS			
Deferred revenue	<u>650</u>	<u>57,711</u>	<u>58,361</u>
NET POSITION			
Net investment in capital assets	3,995,490	2,434,544	6,430,034
Restricted	1,857,336	-	1,857,336
Unrestricted	987,439	(464,633)	522,806
Total net position	<u>\$ 6,840,265</u>	<u>\$ 1,969,911</u>	<u>\$ 8,810,176</u>

See independent auditor's report and accompanying notes.

Pekin Park District
Statement of Activities - Modified Cash Basis
For the Fiscal Year Ending December 31, 2021

		Net (Expenses) Revenues and Change in Net Position Primary Government				
		Program Revenues				
Functions/Program	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 1,335,061	\$ 20,441	\$ 214,376	\$ (1,100,244)	\$ -	\$ (1,100,244)
Public safety	198,490	5,833	-	(192,657)	-	(192,657)
Culture and recreation	3,326,623	967,132	144,254	(2,215,237)	-	(2,215,237)
Pekin park foundation	75,289	-	102,188	26,899	-	26,899
Interest	397,888	-	-	(397,888)	-	(397,888)
Total governmental activities	<u>5,333,351</u>	<u>993,406</u>	<u>460,818</u>	<u>(3,879,127)</u>	<u>-</u>	<u>(3,879,127)</u>
Business-type activities:						
Golf course	1,287,227	1,328,145	-	-	40,918	40,918
Racquet & health facility	<u>560,206</u>	<u>532,314</u>	<u>-</u>	<u>-</u>	<u>(27,892)</u>	<u>(27,892)</u>
Total business-type activities	<u>1,847,433</u>	<u>1,860,459</u>	<u>-</u>	<u>-</u>	<u>13,026</u>	<u>13,026</u>
Total primary government	<u>\$ 7,180,784</u>	<u>\$ 2,853,865</u>	<u>\$ 460,818</u>	<u>(3,879,127)</u>	<u>13,026</u>	<u>(3,866,101)</u>
General revenues:						
Property tax				2,647,788	-	2,647,788
Replacement tax				1,292,972	-	1,292,972
Interest income				4,765	-	4,765
Miscellaneous income				87,734	-	87,734
Total general revenues				<u>4,033,259</u>	<u>-</u>	<u>4,033,259</u>
Transfers				<u>(347,676)</u>	<u>347,676</u>	<u>-</u>
Change in net position				<u>(193,544)</u>	<u>360,702</u>	<u>167,158</u>
Net position, beginning of year				<u>7,033,809</u>	<u>1,609,209</u>	<u>8,643,018</u>
Net position, end of year				<u>\$ 6,840,265</u>	<u>\$ 1,969,911</u>	<u>\$ 8,810,176</u>

See independent auditor's report and accompanying notes.

Pekin Park District
Statement of Assets, Liabilities, and Fund Balances
Modified Cash Basis - Governmental Funds
December 31, 2021

	General	Recreation	Liability Insurance	Debt Service	Capital Projects
ASSETS:					
Cash and deposits	\$ 502,230	\$ 29,960	\$ 277,815	\$ 181,019	\$ 94,677
Investments	-	-	-	-	-
Due from other funds	573,282	-	-	2,541	-
Total assets	<u>\$ 1,075,512</u>	<u>\$ 29,960</u>	<u>\$ 277,815</u>	<u>\$ 183,560</u>	<u>\$ 94,677</u>
LIABILITIES:					
Due to other funds	\$ 3,085	\$ 81,474	\$ 620	\$ -	\$ -
Total liabilities	<u>3,085</u>	<u>81,474</u>	<u>620</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS:					
Deferred revenue	<u>650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:					
Restricted for:					
Recreation	-	-	-	-	-
Miller center	-	-	-	-	-
Debt service	-	-	-	183,560	-
Capital projects	-	-	-	-	94,677
Insurance	-	-	277,195	-	-
Police protection	-	-	-	-	-
Audit	-	-	-	-	-
Retirement	-	-	-	-	-
Unassigned	<u>1,071,777</u>	<u>(51,514)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>1,071,777</u>	<u>(51,514)</u>	<u>277,195</u>	<u>183,560</u>	<u>94,677</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 1,075,512</u>	<u>\$ 29,960</u>	<u>\$ 277,815</u>	<u>\$ 183,560</u>	<u>\$ 94,677</u>

See independent auditor's report and accompanying notes.

<u>Pekin Park Foundation</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ 200,538	\$ 298,529	\$ 1,584,768
824,181	-	824,181
-	2,016	577,839
<u>\$ 1,024,719</u>	<u>\$ 300,545</u>	<u>\$ 2,986,788</u>

<u>\$ -</u>	<u>\$ 56,184</u>	<u>\$ 141,363</u>
<u>-</u>	<u>56,184</u>	<u>141,363</u>

<u>-</u>	<u>-</u>	<u>650</u>
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1,024,719	100,709	1,125,428
-	53,490	53,490
-	-	183,560
-	10,058	104,735
-	-	277,195
-	28,836	28,836
-	30,805	30,805
-	53,287	53,287
-	(32,824)	987,439
<u>1,024,719</u>	<u>244,361</u>	<u>2,844,775</u>

<u>\$ 1,024,719</u>	<u>\$ 300,545</u>	<u>\$ 2,986,788</u>
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See independent auditor's report and accompanying notes.

Pekin Park District
Reconciliation of the Statement of Assets, Liabilities, and Fund Balances
Modified Cash Basis - Governmental Funds to the
Statement of Net Position - Modified Cash Basis
December 31, 2021

Total Fund Balances - Governmental Funds	\$ 2,844,775
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not reported in the governmental funds statement of assets, liabilities, and fund balances

Capital assets	22,670,857	
Less accumulated depreciation	(9,736,207)	
		12,934,650

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	(8,939,160)
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Net Position of Governmental Activities	\$ 6,840,265
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See independent auditor's report and accompanying notes.

Pekin Park District
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Modified Cash Basis - Governmental Funds
For the Fiscal Year Ending December 31, 2021

	General	Recreation	Liability Insurance	Debt Service	Capital Projects
REVENUES:					
Taxes					
Property tax	\$ 841,446	\$ 346,577	\$ 314,197	\$ 666,986	\$ -
Replacement tax	1,292,972	-	-	-	-
Charges for services	82,849	787,538	-	-	-
Operating contributions	208,505	1,500	5,871	-	-
Interest	1,685	-	-	-	-
Other revenue	28,507	50,711	-	-	-
Total revenue	<u>2,455,964</u>	<u>1,186,326</u>	<u>320,068</u>	<u>666,986</u>	<u>-</u>
EXPENDITURES:					
Current:					
General government	513,597	-	229,600	-	-
Public safety	-	-	-	-	-
Culture and recreation	1,035,461	1,154,912	-	-	35,601
Pekin park foundation	-	-	-	-	-
Capital outlay	129,617	-	-	-	699,124
Debt service:					
Principal	-	-	-	881,490	-
Interest	-	-	-	397,888	-
Total expenditures	<u>1,678,675</u>	<u>1,154,912</u>	<u>229,600</u>	<u>1,279,378</u>	<u>734,725</u>
Excess revenue over (under) expenditures	<u>777,289</u>	<u>31,414</u>	<u>90,468</u>	<u>(612,392)</u>	<u>(734,725)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	13,000	-	-	-	275,000
Transfers out	(711,687)	(49,050)	(920)	(275,000)	-
Loan/bond proceeds	-	-	-	665,000	-
Bond fees	(367)	-	-	-	(11,650)
Concert band transfer	-	-	-	-	-
Total financing sources	<u>(699,054)</u>	<u>(49,050)</u>	<u>(920)</u>	<u>390,000</u>	<u>263,350</u>
Net change in fund balance	78,235	(17,636)	89,548	(222,392)	(471,375)
Fund balance - beginning	<u>993,542</u>	<u>(33,878)</u>	<u>187,647</u>	<u>405,952</u>	<u>566,052</u>
Fund balance - ending	<u>\$ 1,071,777</u>	<u>\$ (51,514)</u>	<u>\$ 277,195</u>	<u>\$ 183,560</u>	<u>\$ 94,677</u>

See independent auditor's report and accompanying notes.

<u>Pekin Park Foundation</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 478,582	\$ 2,647,788
-	-	1,292,972
-	123,019	993,406
102,188	142,754	460,818
3,080	-	4,765
-	8,516	87,734
<u>105,268</u>	<u>752,871</u>	<u>5,487,483</u>
-	579,847	1,323,044
-	198,490	198,490
-	397,788	2,623,762
26,297	-	26,297
81,250	-	909,991
-	-	881,490
-	-	397,888
<u>107,547</u>	<u>1,176,125</u>	<u>6,360,962</u>
<u>(2,279)</u>	<u>(423,254)</u>	<u>(873,479)</u>
29,000	456,431	773,431
-	(84,450)	(1,121,107)
-	-	665,000
-	-	(12,017)
<u>(48,992)</u>	<u>-</u>	<u>(48,992)</u>
<u>(19,992)</u>	<u>371,981</u>	<u>256,315</u>
(22,271)	(51,273)	(617,164)
<u>1,046,990</u>	<u>295,634</u>	<u>3,461,939</u>
<u>\$ 1,024,719</u>	<u>\$ 244,361</u>	<u>\$ 2,844,775</u>

See independent auditor's report and accompanying notes.

Pekin Park District
Reconciliation of the Statement of Revenues Received, Expenditures Disbursed,
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities - Modified Cash Basis
For the Fiscal Year Ending December 31, 2021

Amounts reported for governmental activities in the Statement of Activities differ as follows:

Net change in fund balances - total governmental funds	\$ (617,164)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 909,991	
Depreciation expense	<u>(702,861)</u>	
		207,130

The issuance of bonds is reported as an other financing source in the governmental funds but not in the statement of activities.

Bonds issued, at par	(665,000)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Bonds	881,490
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Change in Net Position of Governmental Funds	<u><u>\$ (193,544)</u></u>
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See independent auditor's report and accompanying notes.

Pekin Park District
Statement of Net Position - Modified Cash Basis
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise		
	Golf Course Fund	Racquet and Health Facility Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 3,300	\$ 200	\$ 3,500
Inventories	24,894	2,381	27,275
Non current assets			
Land	712,029	-	712,029
Capital assets, net of depreciation	219,877	1,502,638	1,722,515
Total assets	<u>960,100</u>	<u>1,505,219</u>	<u>2,465,319</u>
LIABILITIES			
Current liabilities			
Accrued liabilities	1,221	-	1,221
Interfund balances	252,695	183,781	436,476
Total liabilities	<u>253,916</u>	<u>183,781</u>	<u>437,697</u>
DEFERRED INFLOWS			
Deferred revenue	<u>52,819</u>	<u>4,892</u>	<u>57,711</u>
NET POSITION			
Net investment in capital assets	931,906	1,502,638	2,434,544
Unrestricted	(278,541)	(186,092)	(464,633)
Total net position	<u>\$ 653,365</u>	<u>\$ 1,316,546</u>	<u>\$ 1,969,911</u>

See independent auditor's report and accompanying notes.

Pekin Park District
Statement of Revenues Received, Expenses Disbursed, and
Changes in Fund Net Position - Modified Cash Basis - Proprietary Funds
For the Fiscal Year Ending December 31, 2021

	Business-Type Activities - Enterprise		
	Golf Course	Racquet and	
	Fund	Health Facility	Total
		Fund	
Operating Revenues			
Tennis	\$ -	\$ 96,152	\$ 96,152
Health	-	430,633	430,633
Vending	-	35	35
Collection	-	5,494	5,494
Parkview	514,123	-	514,123
Lick creek	610,992	-	610,992
Golf passes & coupons	203,030	-	203,030
Total operating revenue	<u>1,328,145</u>	<u>532,314</u>	<u>1,860,459</u>
Operating Expenses			
Salaries	564,054	252,483	816,537
FICA expense	42,051	18,001	60,052
Contractual services	11,449	39,089	50,538
Repairs & maintenance	85,752	27,427	113,179
Utilities	42,264	60,382	102,646
Chemicals & fertilizer	135,128	-	135,128
Golf maintenance supplies	18,720	-	18,720
Irrigation	71,911	-	71,911
Fuel & lubricants	48,328	-	48,328
Pro shop expenses	83,134	8,354	91,488
Food & beverage expenses	77,857	-	77,857
Office expense	653	3,797	4,450
Dues & subscriptions	3,036	880	3,916
Travel	1,340	497	1,837
Cleaning expense	-	64,135	64,135
Facility operations expense	-	14,638	14,638
Processing fees	22,902	11,420	34,322
Miscellaneous expense	-	2,952	2,952
Total operating expenses	<u>1,208,579</u>	<u>504,055</u>	<u>1,712,634</u>
Operating income (loss) before depreciation	119,566	28,259	147,825
Depreciation	<u>78,648</u>	<u>56,151</u>	<u>134,799</u>
Operating income (loss)	<u>40,918</u>	<u>(27,892)</u>	<u>13,026</u>
Non-Operating Revenue (Expenses)			
Transfers in	311,090	177,442	488,532
Transfers out	(53,601)	(87,255)	(140,856)
Total non-operating revenues (expenses)	<u>257,489</u>	<u>90,187</u>	<u>347,676</u>
Change in net position	298,407	62,295	360,702
Net position, beginning	<u>354,958</u>	<u>1,254,251</u>	<u>1,609,209</u>
Net position, ending	<u>\$ 653,365</u>	<u>\$ 1,316,546</u>	<u>\$ 1,969,911</u>

See independent auditor's report and accompanying notes.

Pekin Park District
Statement of Cash Flows - Modified Cash Basis
Proprietary Funds
December 31, 2021

	Business-Type Activities - Enterprise		
	Golf Course Fund	Racquet and Health Facility Fund	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,332,199	\$ 532,258	\$ 1,864,457
Payments to suppliers for goods and services	(647,664)	(251,572)	(899,236)
Payments to employees	(564,054)	(252,483)	(816,537)
Net cash provided by (used in) operating activities	<u>120,481</u>	<u>28,203</u>	<u>148,684</u>
Cash flows from non-capital financing activities:			
Advances (repayments) from/to other funds	(377,970)	(118,390)	(496,360)
Operating transfers in	311,090	177,442	488,532
Operating transfers (out)	(53,601)	(87,255)	(140,856)
Net cash provided by (used in) non-capital financing activities	<u>(120,481)</u>	<u>(28,203)</u>	<u>(148,684)</u>
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at the beginning of the year	3,300	200	3,500
Cash and cash equivalents at the end of the year	<u>\$ 3,300</u>	<u>\$ 200</u>	<u>\$ 3,500</u>
Reconciliation of operating income to net cash provided by (used in) operating activities			
Operating income	\$ 40,918	\$ (27,892)	\$ 13,026
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation	78,648	56,151	134,799
Change in assets and liabilities			
(Increase) decrease in inventory	(4,360)	-	(4,360)
Increase (decrease) in deferred revenue	4,054	(56)	3,998
Increase (decrease) in accrued liabilities	1,221	-	1,221
Total adjustments	<u>\$ 79,563</u>	<u>\$ 56,095</u>	<u>\$ 135,658</u>
Net cash provided by (used in) operating activities	<u>\$ 120,481</u>	<u>\$ 28,203</u>	<u>\$ 148,684</u>

See independent auditor's report and accompanying notes.

Pekin Park District
Notes to the Basic Financial Statements
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies affecting the financial statement presentation.

A. THE FINANCIAL REPORTING ENTITY

The Pekin Park District (the District) is an independent unit of local government founded in 1902. An elected seven-person board of commissioners establishes policy for all facets of the District and all related organizations for which the District exercises oversight and responsibility.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Criteria for determining if other entities are potential component units that should be reported within the District's financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting* Standards, Sections 2100 and 2600. The application of these criteria provides for the identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the District such that exclusion would cause the District's financial statements to be misleading. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The District includes Pekin Park Foundation (the Foundation) as a blended component unit. While a legally separate entity, the Foundation is included as part of the primary government, due to its governance structure and the significance of its operation and financial relationship with the District. It has been determined that there are no discretely presented component units to report.

The Foundation is a nonprofit corporation organized under the laws of the State of Illinois for the purpose of serving as a means by which park supporters can help improve and beautify the parks and expand participation in its activities, in an effort to always further the spirit, culture and tradition of the Pekin Park District. The Foundation's \$1,024,719 fund balance, as shown on the Statement of Assets, Liabilities, and Fund Balances, is restricted to specific park projects by donors. As such, Foundation funds are largely unavailable for daily operations. The Foundation is exempt from any income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is included in the District's governmental funds, and a copy of the Form 990 filed with the Internal Revenue Service can be obtained at the District's main office.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis) report information on all of the non-fiduciary activities of the primary government. The Park District does not have fiduciary funds.

The Statement of Activities – Modified Cash Basis demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meet the operation or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

Fund Financial Statements

The accounts of the District are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities arising from cash transactions, reserves, fund equity, revenues and expenditures/expenses. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

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

Governmental Funds

The District reports the following major governmental funds:

The General Fund accounts for the resources traditionally associated with general government, except those required to be accounted for in another fund. Revenues in the General Fund are primarily property and other taxes plus interest. Expenditures relate primarily to general administration and maintenance activities.

The Recreation Fund is a special revenue fund that accounts for the planning, establishing and maintaining of recreational programs and facilities.

The Liability Insurance Fund is used to account for the property taxes and expenditures for liability insurance and tort.

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general obligation debt principal, interest and related fiscal charges of governmental funds.

The Capital Improvement Fund accounts for the capital projects and purchases of the District and is funded by transfers from other funds and bond proceeds.

The Pekin Park Foundation is a blended component unit of the Pekin Park District. The Pekin Park Foundation receives donations which are then used to fund park maintenance and capital projects.

The District also reports other governmental funds, which are individually non-major in total. They are the Miller Center Improvements Fund, IMRF Fund, Health Insurance Fund, Audit Fund, Police Fund, Paving & Lighting Fund, and Special Populations Fund.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

Proprietary Funds

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Park District complies with all Financial Accounting Standards Board statements currently in effect for proprietary fund activities. The Park District includes the following enterprise funds and both are reported as major funds:

The Golf Course fund accounts for the administration, operation, maintenance, and related debt service of the District's golf facilities.

The Racquet and Health Facility accounts for the administration, operation, maintenance, and related debt service of Parkside Athletics Racquet & Health Facility.

Proprietary funds distinguish operation revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. MEASUREMENT FOCUS/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 – Modified Cash Basis and Statement of Activities – Modified Cash Basis, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as subsequently defined in item (b). The fund financial statements are presented using the current financial resources measurement focus or the economic resources measurement focus, as applied to the modified cash basis of accounting defined in (a) below:

- a. 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.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – Continued

- b. The proprietary fund utilizes an economic resources measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

Basis of Accounting

The financial statements are presented in accordance with a 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 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.

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 good or services received but not yet paid or other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 Park District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

D. CASH, DEPOSITS, AND CASH EQUIVALENTS

Governmental Funds

Governmental funds record cash, money market accounts, and certificates of deposits together and use the title "cash and deposits". Deposits are carried at cost.

Proprietary Funds

Proprietary funds use the title "cash and cash equivalents". Cash equivalents consist of short-term, highly liquid investments which have a maturity term of three months or less. Cash equivalents include savings accounts and short-term certificates of deposit. Certificates of deposit with terms longer than three months are recorded as investments. For the fiscal year ended December 31, 2021, the Park District proprietary funds did not have any certificates of deposits which qualified as investments.

E. INVESTMENTS

As of December 31, 2021, the Pekin Park Foundation holds investments, which are stated at cost. Further detail can be found at Note 4.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances and transfers are loans and transfers of money between the separate funds of the District. In the process of aggregating the financial information for the Government-Wide Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis the internal balances and activity in the fund statements has been combined and eliminated.

G. INVENTORIES

Inventory consists of merchandise, small equipment and vending items and is valued at cost. These inventories are stated at cost using the first-in, first-out method.

H. CAPITAL ASSETS

The Park District's modified cash basis of accounting reports capital assets resulting from cash transactions or events and reports depreciation, when appropriate. The accounting treatment for property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets arising from cash transactions or events are accounted for as assets in the Statement of Net Position – Modified Cash Basis. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable.

Depreciation of exhaustible capital assets arising from cash transactions or events is recorded as an allocated expense in the Statement of Activities – Modified Cash Basis, with accumulated depreciation reflected in the Statement of Net Position – Modified Cash Basis. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the estimated useful life as follows:

<u>Category of Asset</u>	<u>Capitalization Threshold</u>	<u>Estimated Life</u>
Infrastructure & Land Improvements	\$25,000	15 - 40 years
Building	10,000	25 - 40 years
Building Improvements	10,000	10 - 20 years
Equipment	2,500	5 - 10 years
Vehicles	5,000	7 - 10 years

Fund Financial Statements

In the fund financial statements, capital assets arising from cash transactions or events acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets acquired for use in proprietary fund operations are accounted for in the same as in the government-wide statements.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Gift Certificates

The District administers gift certificates for several of the Park District's programs. The District recognizes a deferred inflow upon the sale of gift certificates. When those certificates are redeemed, the District removes the deferred inflow and records revenue.

Other Deferred Revenue

The District has several agreements for lease and rental of their facilities and equipment. As of December 31, 2021, the District received several payments for these agreements which will be executed in the subsequent fiscal year. The District recognizes these prepayments as deferred inflow upon receipt of the funds. When those agreements are fulfilled, the District removes the deferred inflow and records revenue.

J. FUND EQUITY

Government-Wide Statements

Net Position is classified and displayed in three components:

Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted - Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The Park District has no set policy for this allocation of expenditures. The Park District currently uses the method suggested by GASB which is 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 resources are available.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J. FUND EQUITY – Continued

Fund Financial Statements

Governmental Funds

In the governmental fund financial statements, fund balances are classified as:

Nonspendable - amounts that cannot be spent either because they are either (a) in a nonspendable form or (b) they are legally or contractually required to be maintained intact.

Restricted - amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (which as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Park District Board. These amounts cannot be used for any other purpose unless the Park District Board of Commissioners removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

Assigned - amounts that are constrained by the Park District's intent to be used for specific purpose but are neither restricted nor committed. This intent can be expressed by the Park District Board or through the Park District Board delegating this responsibility to a Board member or the Executive Director through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except the General Fund.

Unassigned – the residual funds balance of the General Fund and any negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Park District had no policy for the allocation of expenditures when all the above fund balances are available. Currently the method suggested by GASB 54 has been applied in which the amounts will first be spent out of the restricted funds, then the committed funds, then the assigned funds, and finally the unassigned funds unless the Park District Board has provided otherwise in its commitment or assignment actions.

The District has no formal minimum fund balance policy or any formal stabilization arrangements in place.

As of December 31, 2021, the governmental fund financial statements reported fund balances as restricted due to property tax revenues received but not yet expended for their levied purposes. The restricted purposes for these balances are as presented on the face of the governmental fund financial statements.

Proprietary Funds

The difference among assets, deferred outflows of resources, liabilities, and deferred inflows of resources of proprietary funds is reported as net position and classified in the same manner as the government-wide financial statements as previously described.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

K. PROPERTY TAXES

Property taxes are levied each year on all taxable real property located in the District on or before the last Tuesday in December. The Board adopts the levy in December. Taxes attached as an enforceable lien on property on January 1 and are payable in two installments (on or about June 1 and September 1) subsequent to the year of the tax levy. The District receives significant distributions of tax receipts in each of these months. Pursuant to the District Board resolution, property tax levies passed in November 2021 are allocated and will be recognized as revenue in 2022. The property tax revenues collected and reported for the fiscal year ended December 31, 2021 are from the 2020 tax levy.

L. USE OF ESTIMATES

The preparation of financial statements in conformity with the other comprehensive basis of accounting used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2 – CASH AND DEPOSITS

Custodial Credit Risk

Custodial credit risk is defined as the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, Morningstar, or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. As of December 31, 2021, \$1,133,012 of the District's bank balance was over the FDIC insurance and insured with securities held by the pledging institution in the District's name.

Common Bank Account

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their un-invested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank balance attributable to each participating fund. Occasionally, certain funds participating in the common bank account will overdraw its share of the pooled cash account. The overdrafts result from expenditures which have been approved by the Park Board. In the event of such an overdraw, that fund will report an interfund liability in the fund financial statements to the fund that management has deemed to have loaned the cash to the overdrawn fund.

NOTE 3 – INVESTMENTS

Authorized Investments – Park District

The District is allowed to invest in securities as authorized by the District's investment policy, and Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235). These include the following items:

1. Bonds, notes, certificates of indebtedness, treasury bills, or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
2. Interest-bearing savings accounts, interest-bearing certificates of deposits or interest-bearing time deposits or any other investments constituting direct obligations of any banks as defined by the Illinois Banking Act;

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 3 – INVESTMENTS – Continued

3. Illinois Funds. Any public agency may also invest any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advice regarding the investment of any public funds;
4. Investments as authorized by the Public Funds Investments Act and Acts amendatory thereto.

Authorized Investments – Park Foundation

The Pekin Park Foundation, as a separate nonprofit entity, is authorized to invest in any investments approved by the Board. As of December 31, 2021, the Pekin Park Foundation held investments in mutual funds of \$824,181.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. State law limits District investments as previously described. The Park District and Park Foundation have no investment policy that would further limit its investment choices. As of December 31, 2021, each of the Pekin Park Foundation's mutual funds were rated as either four or five stars by Morningstar.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Park District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Park District's policy is that securities are held by an independent third-party custodian evidenced by safekeeping receipts and a written custodial agreement. The Pekin Park Foundation has no investment policy.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Park District and Pekin Park Foundation do not have a policy for interest rate risk.

Concentration of Credit Risk

Concentration of credit risk is the risk that the Park District and Pekin Park Foundation have a high percentage of its investments invested in one type of investment. The Park District will minimize concentration of credit risk by diversifying the portfolio so that potential losses on individual securities will be minimized but places no limit on the amount the Park District may invest in one issuer. Pekin Park Foundation has no policies in place to limit the concentration of investments. As of December 31, 2021, the Pekin Park Foundation was exposed to concentration risk by investing in only two mutual funds.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 4 – INTERFUND TRANSACTIONS

Individual fund balances for the year ended December 31, 2021 are as follows:

<u>Receiving Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	
General Fund	Recreation Fund	Operating loan	\$ 80,700
General Fund	Nonmajor Funds	Operating loan	56,106
General Fund	Golf Fund	Pooled cash overdraft	252,695
General Fund	Racquet & Health Fund	Pooled cash overdraft	183,781
Debt Service Fund	General Fund	Property tax misallocation	2,541
Nonmajor Funds	General Fund	Property tax misallocation	544
Nonmajor Funds	Recreation Fund	Property tax misallocation	774
Nonmajor Funds	Liability Insurance Fund	Property tax misallocation	620
Nonmajor Funds	Nonmajor Funds	Property tax misallocation	78
			<u>\$ 577,839</u>

Individual fund transfers for the year ended December 31, 2021 are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	
General Fund	Nonmajor Funds	\$ 13,000
Nonmajor Funds	General Fund	223,155
Golf Fund	General Fund	311,090
Racquet & Health Fund	General Fund	177,442
Pekin Park Foundation	Nonmajor Funds	9,000
Pekin Park Foundation	Racquet & Health Fund	20,000
Nonmajor Funds	Recreation Fund	49,050
Nonmajor Funds	Liability Insurance Fund	920
Nonmajor Funds	Nonmajor Funds	62,450
Nonmajor Funds	Racquet & Health Fund	67,255
Nonmajor Funds	Golf Fund	53,601
Capital Improvement Fund	Debt Service Fund	275,000
		<u>\$ 1,261,963</u>

Transfers from the Recreation, Racquet & Health, Golf Funds and several Nonmajor Funds to the Nonmajor Health Insurance Fund are due to health insurance paid by the Insurance Fund on behalf of other funds; the General Fund to the Nonmajor Funds are for the annual reimbursement for shared police expenditures; the Debt Service Fund to the Capital Improvement Fund is for the transfer of bond proceeds; the Nonmajor Funds to the General Fund are for the transfer of labor and building usage for special population expenses; the transfers from the Golf and Racquet & Health Funds to the General Fund is for the forgiveness of interfund balances; the transfers to the Pekin Park Foundation were reimbursements for equipment purchased.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 5 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2021.

	Beginning Balances	Additions	Disposals	Transfers/ Completed Projects	Ending Balances
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 5,358,469	\$ -	\$ -	\$ -	5,358,469
Construction in progress	1,065,966	695,096	-	(1,183,249)	577,813
Subtotal	6,424,435	695,096	-	(1,183,249)	5,936,282
Capital assets, being depreciated:					
Land improvements	1,619,582	-	-	-	1,619,582
Buildings and improvements	12,220,011	95,850	-	1,183,249	13,499,110
Equipment	1,496,838	119,045	-	-	1,615,883
Subtotal	15,336,431	214,895	-	1,183,249	16,734,575
Less: accumulated depreciation for:					
Land improvements	(1,413,539)	(56,758)	-	-	(1,470,297)
Buildings and improvements	(6,494,673)	(579,216)	-	-	(7,073,889)
Equipment	(1,125,134)	(66,887)	-	-	(1,192,021)
Subtotal	(9,033,346)	(702,861)	-	-	(9,736,207)
Total depreciable capital assets, net	6,303,085	(487,966)	-	1,183,249	6,998,368
Governmental activities capital assets, net	\$ 12,727,520	\$ 207,130	\$ -	\$ -	12,934,650
Less: related long-term debt outstanding					(8,939,160)
Net investment in capital assets					\$ 3,995,490

	Beginning Balances	Additions	Disposals	Transfers/ Completed Projects	Ending Balances
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 712,029	\$ -	\$ -	\$ -	712,029
Capital assets, being depreciated:					
Land improvements	629,639	-	-	-	629,639
Buildings	3,305,699	-	-	-	3,305,699
Equipment	1,433,075	-	-	-	1,433,075
Subtotal	5,368,413	-	-	-	5,368,413
Less: accumulated depreciation for:					
Land improvements	(612,249)	(15,621)	-	-	(627,870)
Buildings	(1,701,217)	(72,236)	-	-	(1,773,453)
Equipment	(1,197,633)	(46,942)	-	-	(1,244,575)
Subtotal	(3,511,099)	(134,799)	-	-	(3,645,898)
Total depreciable capital assets, net	1,857,314	(134,799)	-	-	1,722,515
Business-type activities capital assets, net	\$ 2,569,343	\$ (134,799)	\$ -	\$ -	2,434,544
Less: related long-term debt outstanding					-
Net investment in capital assets					\$ 2,434,544

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 5 – CAPITAL ASSETS – Continued

Depreciation expense for 2021 was charged to functions/programs of the primary government as follows:

Governmental Activities	
Park and recreation	\$ 702,861
Business-Type Activities	
Golf courses	\$ 78,648
Racquet and health facilities	56,151
Total depreciation expense - business-type activities	\$ 134,799

NOTE 6 – GENERAL LONG-TERM DEBT

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

Expenditures and liabilities arising from long-term debt that is directly related to and expected to be paid from funds, including general obligation bonds that are expected to be retired from fund revenues, should be reported as expenditures in the appropriate governmental funds, as liabilities in the appropriate proprietary funds and on government-wide financial statements. If funds are insufficient to pay principal and interest, the payment is a contingent liability of the general government.

The following is a summary of long-term general obligation bond debt transactions of the Park District for the year ended December 31, 2021:

Governmental:

Debt	Fund Debt Retired By:	Balance 1/1/2020	Issued	Retired	Balance 12/30/2021	Due within One Year
Series 2019B	Debt Service	\$ 200,105	\$ -	\$ (200,105)	\$ -	\$ -
Series 2020A	Debt Service	8,315,000	-	(225,000)	8,090,000	230,000
Series 2020B	Debt Service	224,435	-	(224,435)	-	-
Series 2020C	Debt Service	416,110	-	(231,950)	184,160	184,160
Series 2021A	Debt Service	-	164,500	-	164,500	164,500
Series 2021B	Debt Service	-	500,500	-	500,500	319,670
		<u>\$ 9,155,650</u>	<u>\$ 665,000</u>	<u>\$ (881,490)</u>	<u>\$ 8,939,160</u>	<u>\$ 898,330</u>

Bonds payable as of December 31, 2021, are comprised of the following individual issues:

- Series 2020A – due in annual installments of \$225,000 to \$540,000 through December 15, 2043, with interest of 3.357%
- Series 2020C – due in a final installment of \$184,160 on October 15, 2022, with interest of 1.08%
- Series 2021A – due in a final installment of \$164,500 on October 15, 2022, with interest of 0.88%
- Series 2021B – due in annual installments of \$319,670 and \$180,830 through October 15, 2023, with interest of 0.75% and 0.80%, respectively.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 6 – GENERAL LONG-TERM DEBT – Continued

Annual debt service requirements to maturity for general obligation bonds by issue for all issues are as follows:

Year Ending	2020A		2020C	
	Principal	Interest	Principal	Interest
December 31, 2022	\$ 230,000	\$ 323,600	\$ 184,160	\$ 1,989
December 31, 2023	240,000	314,400	-	-
December 31, 2024	245,000	304,800	-	-
December 31, 2025	260,000	295,000	-	-
December 31, 2026	270,000	284,600	-	-
December 31, 2027 - 2031	1,560,000	1,250,000	-	-
December 31, 2032 - 2036	1,915,000	909,200	-	-
December 31, 2037 - 2041	2,310,000	496,600	-	-
December 31, 2042 - 2043	1,060,000	64,000	-	-
	<u>\$ 8,090,000</u>	<u>\$ 4,242,200</u>	<u>\$ 184,160</u>	<u>\$ 1,989</u>

Fiscal Year Ending	2021A		2021B	
	Principal	Interest	Principal	Interest
December 31, 2022	\$ 164,500	\$ 1,371	\$ 319,670	\$ 3,641
December 31, 2023	-	-	180,830	1,446
	<u>\$ 164,500</u>	<u>\$ 1,371</u>	<u>\$ 500,500</u>	<u>\$ 5,087</u>

The total annual debt service requirements for all issues to maturity for general obligation bonds are as follows:

Year Ending	Total	
	Principal	Interest
December 31, 2022	\$ 898,330	\$ 330,601
December 31, 2023	420,830	315,846
December 31, 2024	245,000	304,800
December 31, 2025	260,000	295,000
December 31, 2026	270,000	284,600
December 31, 2027 - 2031	1,560,000	1,250,000
December 31, 2032 - 2036	1,915,000	909,200
December 31, 2037 - 2041	2,310,000	496,600
December 31, 2042 - 2043	1,060,000	64,000
	<u>\$ 8,939,160</u>	<u>\$ 4,250,647</u>

Lines of Credit

On June 28, 2019, the District signed an agreement with the Morton Community bank for a \$200,000 line of credit with an interest rate of 3.55%, due June 25, 2022. During 2021, the District did not make an draws on this line of credit

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 7 – LEGAL DEBT MARGIN

The Park District's legal debt margin as set forth by State Statute is limited to 2.875% of total taxable assessed value which approximates \$14,175,911. The debt subject to the debt limitation is based on the type of debt that is issued. As of December 31, 2021, the Park District's outstanding bonds payable of \$8,939,160 was subject to the legal debt limitation.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Plan Description

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

Funding Policy

As set by statute, Pekin Park District's plan members are required to contribute 4.50 percent 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 employer annual required contribution rate for 2021 was 9.64%. Pekin Park 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 Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The required contribution for 2021 was \$159,022.

Three-Year Trend Information for the Plan			
Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/21	\$ 159,022	100%	\$ -
12/31/20	170,066	100%	-
12/31/19	127,024	100%	-

Participation in the plan as of December 31, 2021 was as follows:

Retirees and beneficiaries	40
Inactive, non-retired members	38
Active members	40
Total	<u>118</u>

Additional plan information, including a schedule of funding progress, can be found in the other information section of the financial statements.

Pekin Park District
Notes to the Basic Financial Statements - Continued
December 31, 2021

NOTE 9 – RISK MANAGEMENT – CLAIMS AND JUDGMENTS

Significant losses are covered by commercial insurance for all major programs: property, liability and workers' compensation. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The District is insured under a retrospective-rate policy for workers' compensation coverage; whereas, the initial premium may be adjusted on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended December 31, 2021 there were no significant adjustments in premiums based on actual experience. Settled claims have not exceeded this aggregate commercial coverage.

NOTE 10 – SUBSEQUENT EVENTS

In October 2022 the Board of Commissioners approved issuing \$660,900 in bonds to fund continuing capital improvements projects.

Subsequent events have been evaluated through March 24, 2023 which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

SUPPLEMENTARY INFORMATION

**Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Major Governmental Fund - General Fund
For the Year Ending December 31, 2021**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<u>REVENUES:</u>			
Taxes			
Property tax	\$ 845,314	\$ 841,446	\$ (3,868)
Replacement tax	608,179	1,292,972	684,793
Charges for service			
Sports complex concessions	58,623	48,319	(10,304)
Sports complex operations	-	5,625	5,625
Stable lease	9,809	5,464	(4,345)
Other lease revenue	20,420	20,441	21
Outer parks	-	3,000	3,000
Grants	200,000	200,005	5
Donations	1,500	8,500	7,000
Interest	1,000	1,685	685
Other revenue	16,300	28,507	12,207
Total revenues	<u>1,761,145</u>	<u>2,455,964</u>	<u>694,819</u>
<u>EXPENDITURES:</u>			
CURRENT			
General Government			
Administration	579,999	582,406	2,407
Social security	66,850	60,808	(6,042)
Culture and Recreation			
Building and grounds	785,105	709,829	(75,276)
Sports complex	220,820	180,337	(40,483)
Sports complex concessions	55,590	62,079	6,489
Park & grounds utilities	78,380	67,467	(10,913)
Livestock review building	4,540	6,637	2,097
Riverfront park south	4,380	7,243	2,863
Stable	2,000	1,042	(958)
Outer parks expense	2,200	827	(1,373)
Total expenditures	<u>1,799,864</u>	<u>1,678,675</u>	<u>(121,189)</u>
Excess revenue over (under) expenditures	<u>(38,719)</u>	<u>777,289</u>	<u>816,008</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers in	13,000	13,000	-
Transfers out	(223,155)	(711,687)	(488,532)
Bond fees	(1,500)	(367)	1,133
Total other financing sources	<u>(211,655)</u>	<u>(699,054)</u>	<u>(487,399)</u>
Net change in fund balance	(250,374)	78,235	328,609
Fund balance - beginning	<u>993,542</u>	<u>993,542</u>	<u>-</u>
Fund balance - ending	<u>\$ 743,168</u>	<u>\$ 1,071,777</u>	<u>\$ 328,609</u>

See notes to supplementary information.

**Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Major Governmental Fund - Recreation Fund
For the Year Ending December 31, 2021**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<u>REVENUES:</u>			
Taxes			
Property tax	\$ 348,156	\$ 346,577	\$ (1,579)
Charges for service			
Program revenue	322,825	296,430	(26,395)
Concessions and vending	895	469	(426)
Miniature golf	36,700	39,403	2,703
Paddle boats	27,000	31,087	4,087
Water park	179,850	236,845	56,995
Memorial arena	160,137	183,304	23,167
Donations	-	1,500	1,500
Other revenue	30,465	50,711	20,246
Total revenues	<u>1,106,028</u>	<u>1,186,326</u>	<u>80,298</u>
<u>EXPENDITURES:</u>			
<u>CURRENT</u>			
Culture and Recreation			
Administration	303,410	303,052	(358)
Social security	32,461	30,715	(1,746)
Program salaries	120,492	109,461	(11,031)
Program operations	43,500	24,642	(18,858)
Operating	142,850	175,108	32,258
Water park	188,180	222,310	34,130
Memorial arena	162,765	236,885	74,120
Miniature golf	32,453	29,126	(3,327)
Paddle boats	15,760	14,899	(861)
Pavilion	12,655	8,265	(4,390)
MSP concessions	-	449	449
Total expenditures	<u>1,054,526</u>	<u>1,154,912</u>	<u>100,386</u>
Excess revenue over (under) expenditures	<u>51,502</u>	<u>31,414</u>	<u>(20,088)</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers out	(49,050)	(49,050)	-
Total other financing sources	<u>(49,050)</u>	<u>(49,050)</u>	<u>-</u>
Net change in fund balance	2,452	(17,636)	(20,088)
Fund balance - beginning	(33,878)	(33,878)	-
Fund balance - ending	<u>\$ (31,426)</u>	<u>\$ (51,514)</u>	<u>\$ (20,088)</u>

See notes to supplementary information.

Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Major Governmental Fund - Liability Insurance Fund
For the Year Ending December 31, 2021

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<u>REVENUES:</u>			
Taxes			
Property tax	\$ 315,622	\$ 314,197	\$ (1,425)
Operating contributions	5,221	5,871	650
Total revenues	<u>320,843</u>	<u>320,068</u>	<u>(775)</u>
<u>EXPENDITURES:</u>			
CURRENT			
General government			
Liability insurance	180,136	86,424	(93,712)
Workers compensation	91,882	86,672	(5,210)
Unemployment insurance	65,000	15,092	(49,908)
Grant expenditures	5,221	13,164	7,943
Other insurance expenditures	23,807	28,248	4,441
Total expenditures	<u>366,046</u>	<u>229,600</u>	<u>(136,446)</u>
Net change in fund balance	(46,123)	89,548	135,671
Fund balance - beginning	187,647	187,647	-
Fund balance - ending	<u><u>\$ 141,524</u></u>	<u><u>\$ 277,195</u></u>	<u><u>\$ 135,671</u></u>

See notes to the supplementary information.

Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Major Governmental Fund - Debt Service Fund
For the Year Ending December 31, 2021

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<u>REVENUES:</u>			
Taxes			
Property tax	\$ 665,235	\$ 666,986	\$ 1,751
Treasury rebate	120,442	-	(120,442)
Total revenues	<u>785,677</u>	<u>666,986</u>	<u>(118,691)</u>
<u>EXPENDITURES:</u>			
<u>DEBT SERVICE</u>			
Principal	1,104,824	881,490	(223,334)
Interest	175,549	397,888	222,339
Total debt service	<u>1,280,373</u>	<u>1,279,378</u>	<u>(995)</u>
Total expenditures	<u>1,280,373</u>	<u>1,279,378</u>	<u>(995)</u>
Excess revenue over (under) expenditures	<u>(494,696)</u>	<u>(612,392)</u>	<u>(117,696)</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers out	(275,000)	(275,000)	-
Loan/bond proceeds	653,100	665,000	11,900
Total other financing sources	<u>378,100</u>	<u>390,000</u>	<u>11,900</u>
Net change in fund balance	(233,192)	(222,392)	(105,796)
Fund balance - beginning	405,952	405,952	-
Fund balance - ending	<u>\$ 172,760</u>	<u>\$ 183,560</u>	<u>\$ (105,796)</u>

See notes to supplementary information.

Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Major Governmental Fund - Capital Projects Fund
For the Year Ending December 31, 2021

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<u>EXPENDITURES:</u>			
<u>CURRENT</u>			
Culture and Recreation			
Improvement projects	823,304	734,725	(88,579)
	<u>823,304</u>	<u>734,725</u>	<u>(88,579)</u>
Excess revenue over (under) expenditures	<u>(823,304)</u>	<u>(734,725)</u>	<u>88,579</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers in	275,000	275,000	-
Bond fees	<u>(17,800)</u>	<u>(11,650)</u>	<u>6,150</u>
Total other financing sources	<u>257,200</u>	<u>263,350</u>	<u>6,150</u>
Net change in fund balance	(566,104)	(471,375)	94,729
Fund balance - beginning	<u>566,052</u>	<u>566,052</u>	<u>-</u>
Fund balance - ending	<u><u>\$ (52)</u></u>	<u><u>\$ 94,677</u></u>	<u><u>\$ 94,729</u></u>

See notes to the supplementary information.

**Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Proprietary Fund - Golf Fund
For the Year Ending December 31, 2021**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
Operating Revenues			
Parkview	\$ 446,571	\$ 514,123	\$ 67,552
Lick creek	613,498	610,992	(2,506)
Passes & coupons	213,456	203,030	(10,426)
Total operating revenue	<u>1,273,525</u>	<u>1,328,145</u>	<u>54,620</u>
Operating Expenses			
Parkview	513,775	519,141	5,366
Lick creek	655,620	689,438	33,818
Total operating expenses	<u>1,169,395</u>	<u>1,208,579</u>	<u>39,184</u>
Operating income (loss) before depreciation	<u>104,130</u>	<u>119,566</u>	<u>15,436</u>
Non-Operating Revenue (Expenses)			
Debt principal	(40,580)	(167,364)	(126,784)
Transfers in	-	311,090	311,090
Transfers out	(53,606)	(53,601)	5
Total non-operating revenues (expenses)	<u>(94,186)</u>	<u>90,125</u>	<u>184,311</u>
Conversion to the modified cash basis	<u>40,580</u>	<u>88,716</u>	<u>48,136</u>
Change in net position	50,524	298,407	247,883
Net position, beginning	<u>354,958</u>	<u>354,958</u>	<u>-</u>
Net position, ending	<u><u>\$ 405,482</u></u>	<u><u>\$ 653,365</u></u>	<u><u>\$ 247,883</u></u>

See notes to the supplementary information.

**Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Proprietary Fund - Racquet & Health Fund
For the Year Ending December 31, 2021**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
Operating Revenues			
Tennis	\$ 77,740	\$ 96,152	\$ 18,412
Health	419,695	430,633	10,938
Vending	-	35	35
Collection	3,980	5,494	1,514
Total operating revenue	<u>501,415</u>	<u>532,314</u>	<u>30,899</u>
Operating Expenses			
Salaries	243,685	252,483	8,798
Social security	18,650	18,001	(649)
Tennis	2,785	1,355	(1,430)
Health	29,410	34,014	4,604
Operating	179,010	195,250	16,240
Collection	2,130	2,952	822
Total operating expenses	<u>475,670</u>	<u>504,055</u>	<u>28,385</u>
Operating income (loss) before depreciation	<u>25,745</u>	<u>28,259</u>	<u>2,514</u>
Non-Operating Revenue (Expenses)			
Debt principal	-	(540,000)	(540,000)
Transfers in	-	177,442	177,442
Transfers out	(83,170)	(87,255)	(4,085)
Total non-operating revenues (expenses)	<u>(83,170)</u>	<u>(449,813)</u>	<u>(366,643)</u>
Conversion to the modified cash basis	<u>-</u>	<u>483,849</u>	<u>483,849</u>
Change in net position	(57,425)	62,295	119,720
Net position, beginning	<u>1,254,251</u>	<u>1,254,251</u>	<u>-</u>
Net position, ending	<u><u>\$ 1,196,826</u></u>	<u><u>\$ 1,316,546</u></u>	<u><u>\$ 119,720</u></u>

See notes to the supplementary information.

Pekin Park District
Supplementary Information
Combining Statement of Assets, Liabilities, and Fund Balances
Modified Cash Basis - Non-major Governmental Funds
December 31, 2021

	Special Revenue Funds				
	Miller Center Improvements	IMRF	Health Insurance	Audit	Police
ASSETS:					
Cash	\$ 53,490	\$ 53,053	\$ 16,291	\$ 30,077	\$ 35,041
Due from other funds	-	234	-	728	276
Total assets	<u>\$ 53,490</u>	<u>\$ 53,287</u>	<u>\$ 16,291</u>	<u>\$ 30,805</u>	<u>\$ 35,317</u>
LIABILITIES:					
Due to other funds	\$ -	\$ -	\$ 49,115	\$ -	\$ 6,481
Total liabilities	<u>-</u>	<u>-</u>	<u>49,115</u>	<u>-</u>	<u>6,481</u>
FUND BALANCES:					
Recreation	-	-	-	-	-
Miller center	53,490	-	-	-	-
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Police protection	-	-	-	-	28,836
Audit	-	-	-	30,805	-
Retirement	-	53,287	-	-	-
Assigned for:					
Capital Projects	-	-	-	-	-
Unassigned	-	-	(32,824)	-	-
Total fund balance	<u>53,490</u>	<u>53,287</u>	<u>(32,824)</u>	<u>30,805</u>	<u>28,836</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 53,490</u>	<u>\$ 53,287</u>	<u>\$ 16,291</u>	<u>\$ 30,805</u>	<u>\$ 35,317</u>

See notes to the supplementary information.

		Total Nonmajor Governmental Funds
<u>Paving & Lighting</u>	<u>Special Population</u>	
\$ 9,790	\$ 100,787	\$ 298,529
778	-	2,016
<u>\$ 10,568</u>	<u>\$ 100,787</u>	<u>\$ 300,545</u>
\$ 510	\$ 78	\$ 56,184
510	78	56,184
-	100,709	100,709
-	-	53,490
-	-	-
10,058	-	10,058
-	-	28,836
-	-	30,805
-	-	53,287
-	-	-
-	-	(32,824)
<u>10,058</u>	<u>100,709</u>	<u>244,361</u>
<u>\$ 10,568</u>	<u>\$ 100,787</u>	<u>\$ 300,545</u>

See notes to the supplementary information.

Pekin Park District
Supplementary Information
Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Modified Cash Basis - Non-major Governmental Funds
For the Fiscal Year Ending December 31, 2021

	Special Revenue Funds				
	Miller Center Improvements	IMRF	Health Insurance	Audit	Police
REVENUES:					
Taxes:					
Property tax	\$ -	\$ 128,584	\$ -	\$ 21,275	\$ 120,856
Charges for service	-	-	-	-	5,833
Operating contributions	12,509	-	-	-	-
Other revenue	-	-	-	-	7,359
Total revenue	<u>12,509</u>	<u>128,584</u>	<u>-</u>	<u>21,275</u>	<u>134,048</u>
EXPENDITURES:					
Current:					
General government	-	167,150	400,697	12,000	-
Public safety	-	-	-	-	198,490
Culture and recreation	84	-	-	-	-
Total expenditures	<u>84</u>	<u>167,150</u>	<u>400,697</u>	<u>12,000</u>	<u>198,490</u>
Excess revenue over (under) expenditures	<u>12,425</u>	<u>(38,566)</u>	<u>(400,697)</u>	<u>9,275</u>	<u>(64,442)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	4,085	-	409,301	-	43,045
Transfers out	-	-	-	-	(18,130)
Total financing sources	<u>4,085</u>	<u>-</u>	<u>409,301</u>	<u>-</u>	<u>24,915</u>
Net change in fund balance	16,510	(38,566)	8,604	9,275	(39,527)
Fund balance - beginning	<u>36,980</u>	<u>91,853</u>	<u>(41,428)</u>	<u>21,530</u>	<u>68,363</u>
Fund balance - ending	<u>\$ 53,490</u>	<u>\$ 53,287</u>	<u>\$ (32,824)</u>	<u>\$ 30,805</u>	<u>\$ 28,836</u>

See notes to the supplementary information.

		Total Nonmajor Governmental Funds
<u>Paving & Lighting</u>	<u>Special Population</u>	
\$ 14,526	\$ 193,341	\$ 478,582
-	117,186	123,019
-	130,245	142,754
-	1,157	8,516
<u>14,526</u>	<u>441,929</u>	<u>752,871</u>
-	-	579,847
-	-	198,490
<u>8,747</u>	<u>388,957</u>	<u>397,788</u>
<u>8,747</u>	<u>388,957</u>	<u>1,176,125</u>
<u>5,779</u>	<u>52,972</u>	<u>(423,254)</u>
-	-	456,431
-	(66,320)	(84,450)
<u>-</u>	<u>(66,320)</u>	<u>371,981</u>
5,779	(13,348)	(51,273)
<u>4,279</u>	<u>114,057</u>	<u>295,634</u>
<u>\$ 10,058</u>	<u>\$ 100,709</u>	<u>\$ 244,361</u>

See notes to the supplementary information.

Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Non-major Governmental Funds
For the Year Ending December 31, 2021

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<u>MILLER CENTER IMPROVEMENT FUND</u>			
<u>REVENUES:</u>			
Operating contributions			
Donations	\$ 3,000	\$ 12,509	\$ 9,509
Total revenues	<u>3,000</u>	<u>12,509</u>	<u>9,509</u>
<u>EXPENDITURES:</u>			
<u>CURRENT</u>			
Culture & recreation			
Miller center	-	84	84
Excess revenue over (under) expenditures	<u>3,000</u>	<u>12,425</u>	<u>9,425</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers In	7,500	4,085	(3,415)
Total other financing sources	<u>7,500</u>	<u>4,085</u>	<u>(3,415)</u>
Net change in fund balance	10,500	16,510	6,010
Fund balance - beginning	<u>36,980</u>	<u>36,980</u>	<u>-</u>
Fund balance - ending	<u>\$ 47,480</u>	<u>\$ 53,490</u>	<u>\$ 6,010</u>
<u>IMRF Fund</u>			
<u>REVENUES:</u>			
Taxes:			
Property tax	\$ 129,162	\$ 128,584	\$ (578)
Total revenues	<u>129,162</u>	<u>128,584</u>	<u>(578)</u>
<u>EXPENDITURES:</u>			
<u>CURRENT</u>			
General government			
Retirement	165,000	167,150	2,150
Total expenditures	<u>165,000</u>	<u>167,150</u>	<u>2,150</u>
Net change in fund balance	(35,838)	(38,566)	(2,728)
Fund balance - beginning	<u>91,853</u>	<u>91,853</u>	<u>-</u>
Fund balance - ending	<u>\$ 56,015</u>	<u>\$ 53,287</u>	<u>\$ (2,728)</u>

See notes to the supplementary information.

Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Non-major Governmental Funds - Continued
For the Year Ending December 31, 2021

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
HEALTH INSURANCE FUND			
EXPENDITURES:			
CURRENT			
General Government			
Insurance	349,470	400,697	51,227
Excess revenue over (under) expenditures	(349,470)	(400,697)	(51,227)
OTHER FINANCING SOURCES (USES):			
Transfers in	409,300	409,301	1
Total other financing sources	409,300	409,301	1
Net change in fund balance	59,830	8,604	(51,226)
Fund balance - beginning	(41,428)	(41,428)	-
Fund balance - ending	<u>\$ 18,402</u>	<u>\$ (32,824)</u>	<u>\$ (51,226)</u>
AUDIT FUND			
REVENUES:			
Taxes			
Property taxes	\$ 21,365	\$ 21,275	\$ (90)
Total revenues	21,365	21,275	(90)
EXPENDITURES:			
CURRENT			
General Government			
Audit fees	43,000	12,000	(31,000)
Net change in fund balance	(21,635)	9,275	30,910
Fund balance - beginning	21,530	21,530	-
Fund balance - ending	<u>\$ (105)</u>	<u>\$ 30,805</u>	<u>\$ 30,910</u>

See notes to supplementary information.

Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Non-major Governmental Funds - Continued
For the Year Ending December 31, 2021

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
POLICE FUND			
REVENUES:			
Taxes			
Property taxes	\$ 121,393	\$ 120,856	\$ (537)
Charges for service			
Police fines	2,420	5,833	3,413
Other revenue	12,220	7,359	(4,861)
Total revenues	<u>136,033</u>	<u>134,048</u>	<u>(1,985)</u>
EXPENDITURES:			
CURRENT			
Public Safety			
Police protection	<u>218,638</u>	<u>198,490</u>	<u>(20,148)</u>
Excess revenue over (under) expenditures	<u>(82,605)</u>	<u>(64,442)</u>	<u>18,163</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	43,045	43,045	-
Transfers out	<u>(25,630)</u>	<u>(18,130)</u>	<u>7,500</u>
Total other financing sources	<u>17,415</u>	<u>24,915</u>	<u>7,500</u>
Net change in fund balance	(65,190)	(39,527)	25,663
Fund balance - beginning	<u>68,363</u>	<u>68,363</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,173</u>	<u>\$ 28,836</u>	<u>\$ 25,663</u>
PAVING AND LIGHTING FUND			
REVENUES:			
Taxes			
Property taxes	\$ 14,566	\$ 14,526	\$ (40)
Total revenues	<u>14,566</u>	<u>14,526</u>	<u>(40)</u>
EXPENDITURES:			
CURRENT			
Culture & Recreation			
Paving and lighting	<u>18,844</u>	<u>8,747</u>	<u>(10,097)</u>
Net change in fund balance	(4,278)	5,779	10,057
Fund balance - beginning	<u>4,279</u>	<u>4,279</u>	<u>-</u>
Fund balance - ending	<u>\$ 1</u>	<u>\$ 10,058</u>	<u>\$ 10,057</u>

See notes to the supplementary information.

Pekin Park District
Supplementary Information
Budgetary Comparison Schedule
Non-major Governmental Funds - Continued
For the Year Ending December 31, 2021

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<u>SPECIAL POPULATION FUND</u>			
<u>REVENUES:</u>			
Taxes			
Property taxes	\$ 194,229	\$ 193,341	\$ (888)
Charges for service			
IRVSRA	23,636	62,135	38,499
Miller center	38,945	55,051	16,106
Operating contributions			
Fondulac contract contribution	75,000	75,000	-
IRVSRA contributions	10,870	13,904	3,034
Miller center contributions	25,800	33,354	7,554
Fundraising	4,050	3,158	(892)
Donations	3,900	4,829	929
Other revenue	500	1,157	657
Total revenues	<u>376,930</u>	<u>441,929</u>	<u>64,999</u>
<u>EXPENDITURES:</u>			
<u>CURRENT</u>			
Culture and Recreation			
IRVSRA	144,671	177,769	33,098
Miller center	194,680	211,188	16,508
Total expenditures	<u>339,351</u>	<u>388,957</u>	<u>49,606</u>
Excess revenue over (under) expenditures	<u>37,579</u>	<u>52,972</u>	<u>15,393</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers out	(66,320)	(66,320)	-
Total other financing sources	<u>(66,320)</u>	<u>(66,320)</u>	<u>-</u>
Net change in fund balance	(28,741)	(13,348)	15,393
Fund balance - beginning	<u>114,057</u>	<u>114,057</u>	<u>-</u>
Fund balance - ending	<u>\$ 85,316</u>	<u>\$ 100,709</u>	<u>\$ 15,393</u>

See notes to the supplementary information.

**Pekin Park District
Notes to the Supplementary Information
December 31, 2021**

BUDGETARY INFORMATION

The District follows these procedures in establishing the budgetary data reflected in the financial statements. Budgets are prepared for all funds of the District.

1. During the last quarter of the year, the Director submits tentative budgets for the next year for board review. For 30 days prior to board approval, the tentative budget is put on public display.
2. A public hearing is conducted at a public meeting to obtain taxpayer comments, prior to final action by the Board.
3. Prior to March 31st, the appropriation is legally enacted through passage of an ordinance.
4. The Board can make transfers between budget items within any fund up to 10% of the total budget of that fund; however, any revisions that alter the total disbursements of any fund must be approved by the Board following the same procedures as the original ordinance.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Appropriated amounts were as adopted by the Board on March 4, 2021.
7. Appropriations are adopted for all governmental funds using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
8. All budget authority lapses at the end of the year. No supplemental appropriations were adopted during the current fiscal year.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2021, the District had expenditures that exceeded final budget the Recreation Fund by \$100,386, the Golf Fund by \$39,184, the Racquet & Health Fund by \$28,385, the Miller Center Improvement Fund by \$84, the IMRF Fund by \$2,150, the Health Insurance Fund by \$51,227, and the Special Population Fund by \$49,606.

OTHER INFORMATION

**Pekin Park District
Other Information (Unaudited)
Defined Benefit Plan Information
December 31, 2021**

Annual Pension Cost

Pekin Park District's required contribution for 2021 was determined as part of the December 31, 2019, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2019, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 3.50% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of Pekin Park District's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. Pekin Park District's plan's unfunded actuarial accrued liability at December 31, 2019 is being amortized as a level percentage of projected payroll on an open 22 year basis.

Funded Status and Funding Progress

As of December 31, 2021, the most recent actuarial valuation date, the plan was 108.31% funded. The actuarial accrued liability for benefits was \$4,566,843 and the actuarial value of assets was \$4,946,467, resulting in an overfunded actuarial accrued liability (UAAL) of \$379,624. The covered payroll for 2021 (annual payroll of active employees covered by the plan) was \$1,649,609. Because the plan is overfunded, there is no ration of the UAAL to the covered payroll.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/21	\$4,946,467	\$ 4,566,843	\$ (379,624)	108.31%	\$1,649,609	0.00%
12/31/20	3,951,913	4,204,633	252,720	93.99%	1,608,945	15.71%
12/31/19	3,465,983	4,108,466	642,483	84.36%	1,545,303	41.58%

On a market value basis, the actuarial value of assets as of December 31, 2021 is \$6,572,055. On a market basis, the funded ratio would be 143.91%

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

**Pekin Park District
Other Information
Long-Term Debt Requirements
For the Year Ending December 31, 2021**

General Obligation Bonds of 2020A			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 230,000	\$ 323,600	\$ 553,600
2023	240,000	314,400	554,400
2024	245,000	304,800	549,800
2025	260,000	295,000	555,000
2026	270,000	284,600	554,600
2027	280,000	273,800	553,800
2028	300,000	262,600	562,600
2029	315,000	250,600	565,600
2030	325,000	238,000	563,000
2031	340,000	225,000	565,000
2032	355,000	211,400	566,400
2033	370,000	197,200	567,200
2034	385,000	182,400	567,400
2035	395,000	167,000	562,000
2036	410,000	151,200	561,200
2037	425,000	134,800	559,800
2038	445,000	117,800	562,800
2039	460,000	100,000	560,000
2040	480,000	81,600	561,600
2041	500,000	62,400	562,400
2042	520,000	42,400	562,400
2043	540,000	21,600	561,600
Total	<u>\$ 8,090,000</u>	<u>\$ 4,242,200</u>	<u>\$ 12,332,200</u>

General Obligation Bonds of 2020C			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 184,160	\$ 1,989	\$ 186,149
Total	<u>\$ 184,160</u>	<u>\$ 1,989</u>	<u>\$ 186,149</u>

General Obligation Bonds of 2021A			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 164,500	\$ 1,371	\$ 165,871
Total	<u>\$ 164,500</u>	<u>\$ 1,371</u>	<u>\$ 165,871</u>

General Obligation Bonds of 2021B			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 319,670	\$ 3,641	\$ 323,311
2022	180,830	1,446	182,276
Total	<u>\$ 500,500</u>	<u>\$ 5,087</u>	<u>\$ 505,587</u>

Pekin Park District
Other Information (Unaudited)
For the Fiscal Year Ending December 31, 2021

Assessed Valuations, Rates, Extensions, and Collections				
	Tax Year			
	2020	2019	2018	2017
Total Assessed Valuation	\$ 493,075,151	\$ 494,793,929	\$ 500,200,480	\$ 501,368,983
<u>Tax Rates (per \$100 assessed valuation):</u>				
General	0.1720	0.1712	0.1567	0.1464
Bonds and Interest	0.1365	0.1328	0.1318	0.1260
IMRF	0.0263	0.0202	0.0264	0.0314
Police Protection	0.0247	0.0250	0.0248	0.0250
Audit	0.0044	0.0041	0.0040	0.0030
Liability Insurance	0.0642	0.0609	0.0601	0.0578
Recreation	0.0709	0.0705	0.0696	0.0674
Paving and Lighting	0.0030	0.0020	0.0010	0.0010
Special Population	0.0395	0.0400	0.0398	0.0400
Total Tax Rates	0.5415	0.5267	0.5142	0.4980
<u>Tax Extensions:</u>				
General	\$ 865,415	\$ 846,840	\$ 783,664	\$ 733,804
Bonds and Interest	685,983	657,284	659,414	631,775
IMRF	132,247	100,047	132,203	157,630
Police Protection	124,299	123,698	124,250	125,342
Audit	21,882	20,039	19,908	15,141
Liability Insurance	323,147	301,379	300,671	289,541
Recreation	356,448	348,681	347,889	337,822
Paving and Lighting	14,940	10,044	5,002	5,014
Special Population	198,848	197,918	198,830	200,548
Total Taxes Extensions	\$ 2,723,209	\$ 2,605,930	\$ 2,571,831	\$ 2,496,617
<u>Collections:</u>				
General	\$ 841,446	\$ 844,531	\$ 781,371	\$ 733,399
Bonds and Interest	666,986	655,491	657,487	631,426
IMRF	128,584	99,860	131,816	157,545
Police Protection	120,856	123,442	123,887	125,274
Audit	21,275	20,098	19,850	15,134
Liability Insurance	314,197	300,644	299,791	289,381
Recreation	346,577	347,769	346,872	337,636
Paving and Lighting	14,526	10,120	4,988	5,010
Special Population	193,341	197,525	198,249	200,438
Total Collections	\$ 2,647,788	\$ 2,599,480	\$ 2,564,311	\$ 2,495,243
Collection to Extension Ratio	97.23%	99.75%	99.71%	99.94%

