

*Pekin Park District  
Pekin, IL*

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*Annual Financial Report*

*June 30, 2020*



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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  
1701 Court Street  
Pekin, IL 61554

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 Pekin Park District, IL, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Pekin Park 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 entity'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 entity'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, the business-type activities, each major fund, and the aggregate remaining fund information of the Pekin Park District, IL, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows 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 that 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 the 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 Pekin Park District's basic financial statements. The major fund budgetary comparison information, the propriety 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.

The major fund budgetary comparison information, the propriety fund budgetary comparison schedules, the non-major fund combining statements, and the non-major fund budgetary comparison schedules are 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. 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 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*

The defined benefit plan information, the segmented golf course fund statement, the schedules of long-term debt requirements, and the assessed valuations, rates, extensions, and collections have not been subjected to the auditing procedures applied in the audit of basis financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

*Hjerpe & Tennison CPAs, LLC*

Pekin, IL  
February 25, 2022

**Pekin Park District**  
**Statement of Net Position - Modified Cash Basis**  
**June 30, 2020**

	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash, deposits, and cash equivalents	\$ 1,521,349	\$ 3,805	\$ 1,525,154
Interfund balances	624,256	(624,256)	-
Inventories	-	55,596	55,596
Non current assets			
Land	5,358,469	712,029	6,070,498
Construction in progress	124,539	-	124,539
Capital assets, net of depreciation	6,038,048	1,934,736	7,972,784
Total assets	13,666,661	2,081,910	15,748,571
 <b>LIABILITIES</b>			
Non current liabilities			
Notes payable, due within one year	-	17,364	17,364
Bonds payable, due within one year	1,258,940	125,000	1,383,940
Notes payable, due in more than one year	-	150,000	150,000
Bonds payable, due in more than one year	5,905,915	415,000	6,320,915
Total liabilities	7,164,855	707,364	7,872,219
 <b>DEFERRED INFLOWS</b>			
Deferred revenue	18,341	38,981	57,322
 <b>NET POSITION</b>			
Net investment in capital assets	4,356,201	1,939,401	6,295,602
Restricted	1,600,821	-	1,600,821
Unrestricted	526,443	(603,836)	(77,393)
Total net position	\$ 6,483,465	\$ 1,335,565	\$ 7,819,030

See independent auditor's report and accompanying notes.

**Pekin Park District**  
**Statement of Activities - Modified Cash Basis**  
**For the Year Ending June 30, 2020**

Functions/Program	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position Primary Government		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 1,215,776	\$ 19,415	\$ 36,705	\$ (1,159,656)	\$ -	\$ (1,159,656)
Public safety	199,807	7,878	-	(191,929)	-	(191,929)
Culture and recreation	3,390,963	557,293	169,462	(2,664,208)	-	(2,664,208)
Pekin park foundation	359,819	-	573,362	213,543	-	213,543
Interest	403,761	-	-	(403,761)	-	(403,761)
Total governmental activities	<u>5,570,126</u>	<u>584,586</u>	<u>779,529</u>	<u>(4,206,011)</u>	<u>-</u>	<u>(4,206,011)</u>
Business-type activities:						
Golf course	1,123,841	1,023,681	-	-	(100,160)	(100,160)
Racquet & health facility	533,891	376,988	-	-	(156,903)	(156,903)
Total business-type activities	<u>1,657,732</u>	<u>1,400,669</u>	<u>-</u>	<u>-</u>	<u>(257,063)</u>	<u>(257,063)</u>
Total primary government	<u>\$ 7,227,858</u>	<u>\$ 1,985,255</u>	<u>\$ 779,529</u>	<u>(4,206,011)</u>	<u>(257,063)</u>	<u>(4,463,074)</u>
General revenues:						
Property tax				2,564,311	-	2,564,311
Replacement tax				774,989	-	774,989
Build America bond rebate				125,957	-	125,957
Interest income				19,431	-	19,431
Miscellaneous income				130,543	-	130,543
Gain (loss) on asset disposal				20,138	-	20,138
Total general revenues				<u>3,635,369</u>	<u>-</u>	<u>3,635,369</u>
Transfers				<u>(34,694)</u>	<u>34,694</u>	<u>-</u>
Change in net position				(605,336)	(222,369)	(827,705)
Net position, beginning of year				7,088,801	1,557,934	8,646,735
Net position, end of year				<u>\$ 6,483,465</u>	<u>\$ 1,335,565</u>	<u>\$ 7,819,030</u>

See independent auditor's report and accompanying notes.

**Pekin Park District**  
**Statement of Assets, Liabilities, and Fund Balances**  
**Modified Cash Basis - Governmental Funds**  
**June 30, 2020**

	General	Recreation	IMRF	Debt Service	Pekin Park Foundation	Nonmajor Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and deposits	\$ 600	\$ 2,000	\$ 78,423	\$ 230,356	\$ 1,074,794	\$ 135,176	\$ 1,521,349
Due from other funds	680,152	-	-	91,852	-	-	772,004
<b>Total assets</b>	<b><u>\$ 680,752</u></b>	<b><u>\$ 2,000</u></b>	<b><u>\$ 78,423</u></b>	<b><u>\$ 322,208</u></b>	<b><u>\$ 1,074,794</u></b>	<b><u>\$ 135,176</u></b>	<b><u>\$ 2,293,353</u></b>
<b>LIABILITIES:</b>							
Due to other funds	\$ -	\$ 91,642	\$ -	\$ -	\$ -	\$ 56,106	\$ 147,748
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>91,642</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>56,106</u></b>	<b><u>147,748</u></b>
<b>DEFERRED INFLOWS:</b>							
Deferred revenue	18,341	-	-	-	-	-	18,341
<b>FUND BALANCES:</b>							
Restricted for:							
Recreation	-	-		-	1,074,794	47,253	1,122,047
Miller Center	-	-		-	-	29,472	29,472
Debt Service	-	-	-	322,208	-	-	322,208
Capital Projects	-	-	-	-	-	5,884	5,884
Insurance	-	-	-	-	-	33,202	33,202
Police Protection	-	-	-	-	-	8,156	8,156
Audit	-	-	-	-	-	1,429	1,429
Retirement	-	-	78,423	-	-	-	78,423
Unassigned	662,411	(89,642)	-	-	-	(46,326)	526,443
<b>Total fund balance</b>	<b><u>662,411</u></b>	<b><u>(89,642)</u></b>	<b><u>78,423</u></b>	<b><u>322,208</u></b>	<b><u>1,074,794</u></b>	<b><u>79,070</u></b>	<b><u>2,127,264</u></b>
<b>Total liabilities, deferred inflows, and fund balance</b>	<b><u>\$ 680,752</u></b>	<b><u>\$ 2,000</u></b>	<b><u>\$ 78,423</u></b>	<b><u>\$ 322,208</u></b>	<b><u>\$ 1,074,794</u></b>	<b><u>\$ 135,176</u></b>	<b><u>\$ 2,293,353</u></b>

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**  
**June 30, 2020**

Total Fund Balances - Governmental Funds		\$ 2,127,264
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not reported in the governmental funds statement of assets, liabilities, and fund balances</p>		
Capital assets	20,247,417	
Less accumulated depreciation	<u>(8,726,361)</u>	
		11,521,056
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds</p>		
		<u>(7,164,855)</u>
Net Position of Governmental Activities		<u><u>\$ 6,483,465</u></u>

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 June 30, 2020**

	General	Recreation	IMRF	Debt Service	Pekin Park Foundation	Nonmajor Funds	Total Governmental Funds
<b>REVENUES:</b>							
Taxes	\$ 1,556,360	\$ 346,872	\$ 131,816	\$ 657,487	\$ -	\$ 646,765	\$ 3,339,300
Charges for services	42,655	461,970	-	-	-	79,961	584,586
Operating contributions	36,393	1,500	-	-	573,362	168,274	779,529
Interest	1,848	457	794	3,738	10,948	1,646	19,431
Miscellaneous income	8,941	60,432	-	125,957	-	61,170	256,500
Total revenue	<u>1,646,197</u>	<u>871,231</u>	<u>132,610</u>	<u>787,182</u>	<u>584,310</u>	<u>957,816</u>	<u>4,979,346</u>
<b>EXPENDITURES:</b>							
Current:							
General government	305,374	-	60,437	-	-	821,740	1,187,551
Public safety	-	-	4,902	-	-	194,905	199,807
Culture and recreation	973,018	894,319	85,076	452,156	-	386,911	2,791,480
Pekin park foundation	-	-	-	-	359,819	-	359,819
Capital outlay:							
Infrastructure	-	-	-	124,539	-	-	124,539
Buildings	-	-	-	-	228,368	-	228,368
Equipment	-	-	-	-	83,683	18,046	101,729
Debt service:							
Principal	1,368	-	-	778,170	-	-	779,538
Interest	-	-	-	403,761	-	-	403,761
Total expenditures	<u>1,279,760</u>	<u>894,319</u>	<u>150,415</u>	<u>1,758,626</u>	<u>671,870</u>	<u>1,421,602</u>	<u>6,176,592</u>
Excess revenue over (under) expenditures	<u>366,437</u>	<u>(23,088)</u>	<u>(17,805)</u>	<u>(971,444)</u>	<u>(87,560)</u>	<u>(463,786)</u>	<u>(1,197,246)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	38,400	-	-	-	-	498,980	537,380
Transfers out	(254,818)	(35,392)	-	(194,780)	-	(87,084)	(572,074)
Loan/bond proceeds	-	-	-	1,484,485	-	-	1,484,485
Bond fees	(1,350)	-	-	(18,800)	-	(8,075)	(28,225)
Total financing sources	<u>(217,768)</u>	<u>(35,392)</u>	<u>-</u>	<u>1,270,905</u>	<u>-</u>	<u>403,821</u>	<u>1,421,566</u>
Net change in fund balance	148,669	(58,480)	(17,805)	299,461	(87,560)	(59,965)	224,320
Fund balance - beginning	513,742	(31,162)	96,228	22,747	1,162,354	139,035	1,902,944
Fund balance - ending	<u>\$ 662,411</u>	<u>\$ (89,642)</u>	<u>\$ 78,423</u>	<u>\$ 322,208</u>	<u>\$ 1,074,794</u>	<u>\$ 79,070</u>	<u>\$ 2,127,264</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 June 30, 2020**

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

Net change in fund balances - total governmental funds \$ 224,320

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	\$	454,636	
Gain (loss) on capital asset disposals		20,138	
Depreciation expense		<u>(599,483)</u>	
			(124,709)

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 (1,484,485)

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		778,170	
Capital leases		1,368	
			<u>                    </u>

Change in Net Position of Governmental Funds \$ (605,336)

See independent auditor's report and accompanying notes.

**Pekin Park District**  
**Statement of Net Position - Modified Cash Basis**  
**Proprietary Funds**  
**June 30, 2020**

	Business-Type Activities - Enterprise		
	Golf Course Fund	Racquet and Health Facility Fund	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 3,300	\$ 505	\$ 3,805
Inventories	53,215	2,381	55,596
Non current assets			
Land	712,029	-	712,029
Capital assets, net of depreciation	346,367	1,588,369	1,934,736
Total assets	<u>1,114,911</u>	<u>1,591,255</u>	<u>2,706,166</u>
<b>LIABILITIES</b>			
Current liabilities			
Interfund balances	394,411	229,845	624,256
Non current liabilities			
Notes payable, due within one year	17,364	-	17,364
Notes payable, due in more than one year	150,000	-	150,000
Bonds payable, due within one year	-	125,000	125,000
Bonds payable, due in more than one year	-	415,000	415,000
Total liabilities	<u>561,775</u>	<u>769,845</u>	<u>1,331,620</u>
<b>DEFERRED INFLOWS</b>			
Deferred revenue	<u>34,952</u>	<u>4,029</u>	<u>38,981</u>
<b>NET POSITION</b>			
Net investment in capital assets	891,033	1,048,369	1,939,402
Unrestricted	(372,849)	(230,988)	(603,837)
Total net position	<u>\$ 518,184</u>	<u>\$ 817,381</u>	<u>\$ 1,335,565</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 June 30, 2020**

	Business-Type Activities - Enterprise		
	Golf Course Fund	Racquet and Health Facility Fund	Total
<b>Operating Revenues</b>			
Tennis	\$ -	\$ 34,684	\$ 34,684
Health	-	333,468	333,468
Vending	-	5,218	5,218
Collection	-	3,618	3,618
Parkview	540,443	-	540,443
Lick creek	483,238	-	483,238
Total operating revenue	<u>1,023,681</u>	<u>376,988</u>	<u>1,400,669</u>
<b>Operating Expenses</b>			
Salaries	507,956	221,743	729,699
FICA expense	37,810	15,759	53,569
Contractual services	18,773	25,948	44,721
Repairs & maintenance	68,292	29,561	97,853
Utilities	39,828	58,271	98,099
Chemicals & fertilizer	112,335	-	112,335
Golf maintenance supplies	22,280	-	22,280
Irrigation	57,782	-	57,782
Fuel & lubricants	29,172	-	29,172
Pro shop expenses	52,952	4,606	57,558
Food & beverage expenses	55,361	-	55,361
Marketing	-	303	303
Office expense	972	5,032	6,004
Dues & subscriptions	2,558	668	3,226
Vending	-	3,281	3,281
Travel	1,657	831	2,488
Cleaning expense	-	50,958	50,958
Facility operations expense	-	15,845	15,845
Processing fees	15,438	7,420	22,858
Miscellaneous expense	-	2,126	2,126
Total operating expenses	<u>1,023,166</u>	<u>442,352</u>	<u>1,465,518</u>
Operating income (loss) before depreciation	515	(65,364)	(64,849)
Depreciation	99,219	63,614	162,833
Operating income (loss)	<u>(98,704)</u>	<u>(128,978)</u>	<u>(227,682)</u>
<b>Non-Operating Revenue (Expenses)</b>			
Interest expense	(1,456)	(27,925)	(29,381)
Transfers in	-	142,930	142,930
Transfers out	(51,048)	(57,188)	(108,236)
Total non-operating revenues (expenses)	<u>(52,504)</u>	<u>57,817</u>	<u>5,313</u>
Change in net position	(151,208)	(71,161)	(222,369)
Net position, beginning	669,392	888,542	1,557,934
Net position, ending	<u>\$ 518,184</u>	<u>\$ 817,381</u>	<u>\$ 1,335,565</u>

See independent auditor's report and accompanying notes.

**Pekin Park District**  
**Statement of Cash Flows - Modified Cash Basis**  
**Proprietary Funds**  
**June 30, 2020**

	Business-Type Activities - Enterprise		
	Golf Course Fund	Racquet and Health Facility Fund	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers and users	\$ 1,029,808	\$ 377,137	\$ 1,406,945
Payments to suppliers for goods and services	(525,818)	(220,609)	(746,427)
Payments to employees	(507,956)	(221,743)	(729,699)
Net cash provided by (used in) operating activities	<u>(3,966)</u>	<u>(65,215)</u>	<u>(69,181)</u>
<b>Cash flows from non-capital financing activities:</b>			
Advances (repayments) from/to other funds	83,321	122,403	205,724
Operating transfers in	-	142,930	142,930
Operating transfers (out)	(51,048)	(57,188)	(108,236)
Net cash provided by (used in) non-capital financing activities	<u>32,273</u>	<u>208,145</u>	<u>240,418</u>
<b>Cash flows from capital and related financing activities:</b>			
Issuance of debt	150,000	-	150,000
Principal paid on debt	(176,852)	(115,000)	(291,852)
Interest paid on debt	(1,456)	(27,925)	(29,381)
related financing activities	<u>(28,308)</u>	<u>(142,925)</u>	<u>(171,233)</u>
Net increase (decrease) in cash and cash equivalents	(1)	5	4
Cash and cash equivalents at the beginning of the year	3,300	500	3,800
Cash and cash equivalents at the end of the year	<u>\$ 3,299</u>	<u>\$ 505</u>	<u>\$ 3,804</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities</b>			
Operating income	\$ (98,704)	\$ (128,978)	\$ (227,682)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation	99,219	63,614	162,833
Change in assets and liabilities			
(Increase) decrease in inventory	(10,608)	-	(10,608)
Increase (decrease) in deferred revenue	6,127	149	6,276
Total adjustments	<u>\$ 94,738</u>	<u>\$ 63,763</u>	<u>\$ 158,501</u>
Net cash provided by (used in) operating activities	<u>\$ (3,966)</u>	<u>\$ (65,215)</u>	<u>\$ (69,181)</u>

See independent auditor's report and accompanying notes.

**Pekin Park District**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**

**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 \$1,074,794 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**  
**June 30, 2020**

**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 IMRF Fund is used to account for the property taxes and expenditures for IMRF contributions.

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 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, Liability Insurance Fund, Health Insurance Fund, Audit Fund, Police Fund, Paving & Lighting Fund, Special Populations Fund, and Capital Projects Fund.

**Pekin Park District**  
**Notes to the Basic Financial Statements - Continued**  
**June 30, 2020**

**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 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**  
**June 30, 2020**

**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 June 30, 2020, the Park District proprietary funds did not have any certificates of deposits which qualified as investments.

**Pekin Park District**  
**Notes to the Basic Financial Statements - Continued**  
**June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**E. 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.

**F. 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.

**G. 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**  
**June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**H. 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 June 30, 2020, 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.

**I. 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 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. The Park District has no set policy for this allocation of expenditures.

Pekin Park District  
Notes to the Basic Financial Statements - Continued  
June 30, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

I. 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.

As of the end of the fiscal year, 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 June 30, 2020, 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**  
**June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**J. 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 2019 are allocated and will be recognized as revenue in the fiscal year 2021. The property tax revenues collected and reported for the fiscal year ended June 30, 2020 are from the 2018 tax levy.

**K. 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 AND INVESTMENTS**

Authorized Investments

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;
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.

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, or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. As of June 30, 2020, \$138,847 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.

**NOTE 3 – 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.

**Pekin Park District**  
**Notes to the Basic Financial Statements - Continued**  
**June 30, 2020**

**NOTE 3 – COMMON BANK ACCOUNT – Continued**

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 4 – INTERFUND TRANSACTIONS**

Individual fund balances for the year ended June 30, 2020 are as follows:

<u>Receiving Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>		
General Fund	Recreation Fund	Operating loan	\$	80,700
General Fund	Recreation Fund	Pooled cash overdraft		10,942
General Fund	Golf Fund	Operating loan		311,090
General Fund	Golf Fund	Pooled cash overdraft		43,872
Debt Service Fund	Golf Fund	Pooled cash overdraft		39,449
General Fund	Racquet & Health Fund	Operating loan		177,442
Debt Service Fund	Racquet & Health Fund	Pooled cash overdraft		52,403
General Fund	Health Insurance Fund	Operating loan		49,115
General Fund	Police Fund	Operating loan		6,481
General Fund	Paving & Lighting Fund	Operating loan		510
			<u>\$</u>	<u>772,004</u>

Individual fund transfers for the year ended June 30, 2020 are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>		
General Fund	Special Populations Fund	\$	38,400
Police Fund	General Fund		86,090
Health Insurance Fund	General Fund		168,728
Health Insurance Fund	Police Fund		8,962
Health Insurance Fund	Special Populations Fund		39,722
Health Insurance Fund	Recreation Fund		35,392
Health Insurance Fund	Racquet & Health Fund		57,188
Health Insurance Fund	Golf Fund		51,048
Capital Improvement Fund	Debt Service Fund		51,850
Racquet & Health Fund	Debt Service Fund		142,930
		<u>\$</u>	<u>680,310</u>

Transfers from the Police, Special Populations, Recreation, Racquet & Health, and Golf Funds to the Insurance Fund are due to health insurance paid by the Insurance Fund on behalf of other funds; the General Fund to the Police Fund are for the annual reimbursement for shared expenditures; the Debt Service Fund to the Capital Improvement and Racquet & Health fund are for the transfer of bond proceeds; the Special Populations Fund to the General Fund are for the transfer of labor and building usage.

**Pekin Park District**  
**Notes to the Basic Financial Statements - Continued**  
**June 30, 2020**

**NOTE 5 – CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended June 30, 2020.

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balances</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 5,358,469	\$ -	\$ -	5,358,469
Construction in progress	60,643	124,539	(60,643)	124,539
Subtotal	<u>5,419,112</u>	<u>124,539</u>	<u>(60,643)</u>	<u>5,483,008</u>
Capital assets, being depreciated:				
Land improvements	1,619,582	-	-	1,619,582
Buildings and improvements	11,517,040	289,011	-	11,806,051
Equipment	1,224,737	122,229	(8,190)	1,338,776
Subtotal	<u>14,361,359</u>	<u>411,240</u>	<u>(8,190)</u>	<u>14,764,409</u>
Less: accumulated depreciation for:				
Land improvements	(1,310,432)	(73,076)	-	(1,383,508)
Buildings and improvements	(5,774,333)	(474,652)	-	(6,248,985)
Equipment	(1,049,941)	(51,755)	7,828	(1,093,868)
Subtotal	<u>(8,134,706)</u>	<u>(599,483)</u>	<u>7,828</u>	<u>(8,726,361)</u>
Total depreciable capital assets, net	<u>6,226,653</u>	<u>(188,243)</u>	<u>(362)</u>	<u>6,038,048</u>
Governmental activities capital assets, net	<u>\$ 11,645,765</u>	<u>\$ (63,704)</u>	<u>\$ (61,005)</u>	11,521,056
Less: related long-term debt outstanding				<u>(7,164,855)</u>
Net investment in capital assets				<u>\$ 4,356,201</u>
	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balances</u>
<b>Business-Type Activities</b>				
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	<u>5,368,413</u>	<u>-</u>	<u>-</u>	<u>5,368,413</u>
Less: accumulated depreciation for:				
Land improvements	(568,776)	(29,619)	-	(598,395)
Buildings	(1,592,852)	(72,236)	-	(1,665,088)
Equipment	(1,109,216)	(60,978)	-	(1,170,194)
Subtotal	<u>(3,270,844)</u>	<u>(162,833)</u>	<u>-</u>	<u>(3,433,677)</u>
Total depreciable capital assets, net	<u>2,097,569</u>	<u>(162,833)</u>	<u>-</u>	<u>1,934,736</u>
Business-type activities capital assets, net	<u>\$ 2,809,598</u>	<u>\$ (162,833)</u>	<u>\$ -</u>	2,646,765
Less: related long-term debt outstanding				<u>(707,364)</u>
Net investment in capital assets				<u>\$ 1,939,401</u>

**Pekin Park District**  
**Notes to the Basic Financial Statements - Continued**  
**June 30, 2020**

**NOTE 5 – CAPITAL ASSETS – Continued**

Depreciation expense for 2020 was charged to functions/programs of the primary government as follows:

<b>Governmental Activities</b>		
Park and recreation	\$	599,483
<b>Business-Type Activities</b>		
Golf courses	\$	99,219
Racquet and health facilities		63,614
Total depreciation expense - business-type activities	\$	162,833

**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 June 30, 2020:

Governmental:

Debt	Fund Debt Retired By:	Balance 7/1/2019	Issued	Retired	Balance 6/30/2020	Due within One Year
Series 2010B	Debt Service	\$ 5,575,000	\$ -	\$ (160,000)	\$ 5,415,000	\$ 175,000
Series 2017	Debt Service	322,960	-	(322,960)	-	-
Series 2018A	Debt Service	149,475	-	(149,475)	-	-
Series 2018B	Debt Service	411,105	-	(145,735)	265,370	265,370
Series 2019A	Debt Service	-	142,880	-	142,880	142,880
Series 2019B	Debt Service	-	427,905	-	427,905	227,800
Series 2019C	Debt Service	-	913,700	-	913,700	-
		\$ 6,458,540	\$ 1,484,485	\$ (778,170)	\$ 7,164,855	\$ 811,050

Business-Type:

Debt	Fund Debt Retired By:	Balance 7/1/2019	Issued	Retired	Balance 6/30/2020	Due within One Year
Series 2008A	Racquet & Health	\$ 655,000	\$ -	\$ (115,000)	\$ 540,000	\$ 125,000

**Pekin Park District**  
**Notes to the Basic Financial Statements - Continued**  
**June 30, 2020**

**NOTE 6 – GENERAL LONG-TERM DEBT – Continued**

General Obligation Bonds – Continued

Bonds payable as of June 30, 2020, are comprised of the following individual issues:

- Series 2008A – due in annual installments of \$85,000 to \$145,000 through December 14, 2023; interest at 3.5% - 4.75%
- Series 2010B – due in annual installments of \$30,000 to \$555,000 through December 2035; interest at 2.25% - 7.25%. These bonds are Build America Bonds that provide for a 35% federal subsidy on the total interest requirements of the bonds. The interest is paid to the District on a semi-annual basis corresponding with the interest payment dates to the bondholders. In the current year, the federal government sequestered 6.9% of the subsidy. The revenue is reflected as a treasury rebate in the debt service fund.
- Series 2018B – due in annual installments of \$145,735 and \$265,370 through October 15, 2020; interest at between 2.66% and 2.85%
- Series 2019A – due in an annual installment of \$142,880 October 15, 2020 with interest of 2.25%
- Series 2019B – due in annual installments of \$227,800 and \$200,105 through October 15, 2021; interest at between 1.55% and 1.60%
- Series 2019C – due in annuals installments of \$447,890 and \$465,810 through December 15, 2022; interest at between 1.60% and 1.65%

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

Fiscal Year Ending	2008A		2010B		2018B	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30, 2021	\$ 125,000	\$ 22,525	\$ 175,000	\$ 374,619	\$ 265,370	\$ 3,782
June 30, 2022	130,000	16,625	190,000	363,612	-	-
June 30, 2023	140,000	10,212	210,000	350,113	-	-
June 30, 2024	145,000	3,444	225,000	335,431	-	-
June 30, 2025	-	-	245,000	319,569	-	-
June 30, 2026 - 2030	-	-	1,555,000	1,304,156	-	-
June 30, 2031 - 2035	-	-	2,260,000	634,250	-	-
June 30, 2036	-	-	555,000	20,119	-	-
	<u>\$ 540,000</u>	<u>\$ 52,806</u>	<u>\$ 5,415,000</u>	<u>\$ 3,701,869</u>	<u>\$ 265,370</u>	<u>\$ 3,782</u>

  

Fiscal Year Ending	2019A		2019B		2019C	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30, 2021	\$ 142,880	\$ 3,018	\$ 227,800	\$ 7,922	\$ -	\$ 23,846
June 30, 2022	-	-	200,105	1,601	447,890	11,269
June 30, 2023	-	-	-	-	465,810	3,843
	<u>\$ 142,880</u>	<u>\$ 3,018</u>	<u>\$ 427,905</u>	<u>\$ 9,523</u>	<u>\$ 913,700</u>	<u>\$ 38,958</u>

**Pekin Park District**  
**Notes to the Basic Financial Statements - Continued**  
**June 30, 2020**

**NOTE 6 – GENERAL LONG-TERM DEBT – Continued**

General Obligation Bonds – Continued

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

Fiscal Year Ending	Total	
	Principal	Interest
June 30, 2021	\$ 936,050	\$ 435,712
June 30, 2022	967,995	393,107
June 30, 2023	815,810	364,168
June 30, 2024	370,000	338,875
June 30, 2025	245,000	319,569
June 30, 2026 - 2030	1,555,000	1,304,156
June 30, 2031 - 2035	2,260,000	634,250
June 30, 2036	555,000	20,119
	\$ 7,704,855	\$ 3,809,956

Notes Payable

The following is a summary of long-term note payable transactions of the Park District for the year ended June 30, 2020:

Debt	Fund Debt Retired By:	Balance 7/1/2019	Issued	Retired	Balance 6/30/2020	Due within One Year
Line of Credit	Golf Course Fund	\$ 160,000	\$ 150,000	\$ (160,000)	\$ 150,000	\$ 150,000
Golf Cart Loan	Golf Course Fund	34,216	-	(16,852)	17,364	17,364
		\$ 194,216	\$ 150,000	\$ (176,852)	\$ 167,364	\$ 167,364

Notes payable as of June 30, 2020, are comprised of the following:

- On May 25, 2016, the Park District entered into an \$83,980 note payable with Morton Community Bank for the purchase of golf carts. The note is due in annual payments of \$17,363 through September, 2020 with interest of 3%.
- On June 28, 2019, the Park District entered into a line of credit agreement with Morton Community Bank with a maximum limit of \$200,000. During the fiscal year ended June 30, 2019 the District had withdrawn \$160,000 from the note. The balance withdrawn was due June 27, 2020 with interest of 3.55%. On June 26, 2021, the District paid off the balance withdrawn, plus interest, and extended the term of the line of credit another year. At that time, an additional \$150,000 was withdrawn and is due June 25, 2022 with interest of 3.55%.

The annual debt service requirements to maturity for the note payable is as follows:

	Golf Cart Loan		Promissory Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021 Fiscal Year	\$ 17,364	\$ 529	\$ 150,000	\$ 5,325	\$ 167,364	\$ 5,854

**Pekin Park District**  
**Notes to the Basic Financial Statements - Continued**  
**June 30, 2020**

**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 \$14,225,325. The debt subject to the debt limitation is based on the type of debt that is issued. As of June 30, 2020, the Park District's outstanding bonds payable of \$7,704,855 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](http://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 calendar year 2019 was 8.22%. 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 calendar year 2019 was \$127,024.

Three-Year Trend Information for the Plan			
Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2019	\$ 127,024	100%	\$ -
12/31/2018	142,559	100%	-
12/31/2017	151,184	100%	-

Participation in the plan as of December 31, 2020 was as follows:

Retirees and beneficiaries	41
Inactive, non-retired members	24
Active members	42
Total	107

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**  
**June 30, 2020**

**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 June 30, 2020 there were no significant adjustments in premiums based on actual experience. Settled claims have not exceeded this aggregate commercial coverage.

**NOTE 10 – RISK AND UNCERTAINTIES**

In early March 2020, the COVID-19 virus was declared a global pandemic. Planned events and programs for 2020 were postponed or cancelled as a result. These cancellations resulted in reduced fees for services of 37% in the Recreation Fund and 29% in the Racquet and Health Fund from the prior year. Also, due to facility closures between March and June 2020, there was a decrease in golf course revenue of 14%. At the same time, the Park District had an increased property tax levy, resulting in an overall increase in revenues when compared with the prior year. Management's evaluations of current finances show no concern for ongoing operations of Pekin Park District.

**NOTE 11 – SUBSEQUENT EVENTS**

In October 2021 the Park District issued \$665,000 General Obligation Bonds, Series 2021. The bonds will finance certain capital improvements in the Park District.

Effective in 2020, the Park District changed its fiscal year end from June 30 to December 31 to better align with the Park activities. With majority of activity in the summer months, more timely financial reporting is possible with a calendar year end. Accordingly, subsequent financial statements for the Park District will be presented with a year ending December 31.

Subsequent events have been evaluated through February 25, 2022 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 Fiscal Year Ending June 30, 2020**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<b><u>REVENUES:</u></b>			
Taxes			
Property tax	\$ 782,100	\$ 781,371	\$ (729)
Replacement tax	758,000	774,989	16,989
Charges for service			
Sports complex concessions	57,570	14,677	(42,893)
Stable lease	9,460	8,563	(897)
Other lease revenue	18,805	19,415	610
Outer parks	3,150	-	(3,150)
Concert band contributions	18,993	18,993	-
Donations	13,400	17,400	4,000
Interest	1,200	1,848	648
Other revenue	14,030	8,941	(5,089)
Total revenues	<u>1,676,708</u>	<u>1,646,197</u>	<u>(30,511)</u>
<b><u>EXPENDITURES:</u></b>			
<b>CURRENT</b>			
<b>General Government</b>			
Administration	294,760	290,844	(3,916)
Social Security	65,254	54,201	(11,053)
<b>Culture and Recreation</b>			
Building and grounds	746,268	661,988	(84,280)
Sports complex	207,540	139,460	(68,080)
Sports complex concessions	55,925	28,136	(27,789)
Park & grounds utilities	79,760	70,318	(9,442)
Livestock review building	4,540	6,250	1,710
Riverfront park south	2,310	4,225	1,915
Stable	2,000	1,235	(765)
Pekin park concert band	18,993	18,993	-
Outer parks expense	-	840	840
Other	3,000	3,270	270
Total expenditures	<u>1,480,350</u>	<u>1,279,760</u>	<u>(200,590)</u>
Excess revenue over (under) expenditures	<u>196,358</u>	<u>366,437</u>	<u>170,079</u>
<b><u>OTHER FINANCING SOURCES:</u></b>			
Transfers in	38,400	38,400	-
Transfers out	(254,818)	(254,818)	-
Bond fees	(1,350)	(1,350)	-
Total other financing sources	<u>(217,768)</u>	<u>(217,768)</u>	<u>-</u>
Net change in fund balance	(21,410)	148,669	170,079
Fund balance - beginning	<u>513,742</u>	<u>513,742</u>	<u>-</u>
Fund balance - ending	<u>\$ 492,332</u>	<u>\$ 662,411</u>	<u>\$ 170,079</u>

See notes to supplementary information.

**Pekin Park District  
Supplementary Information  
Budgetary Comparison Schedule  
Major Governmental Fund - Recreation Fund  
For the Fiscal Year Ending June 30, 2020**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<b><u>REVENUES:</u></b>			
Taxes			
Property tax	\$ 347,190	\$ 346,872	\$ (318)
Charges for service			
Program revenue	362,800	200,693	(162,107)
Concessions	17,900	8,648	(9,252)
Miniature golf	33,340	22,083	(11,257)
Vending	895	498	(397)
Paddle boats	24,000	14,680	(9,320)
Water park	145,275	49,648	(95,627)
Memorial arena	153,630	165,720	12,090
Contributions	1,250	1,000	(250)
Donations	-	500	500
Interest	400	457	57
Other revenue	3,500	60,432	56,932
Total revenues	<u>1,090,180</u>	<u>871,231</u>	<u>(218,949)</u>
<b><u>EXPENDITURES:</u></b>			
<b>CURRENT</b>			
<b>General Government</b>			
Administration	307,674	308,820	1,146
Social security	33,294	29,341	(3,953)
<b>Culture and Recreation</b>			
Program salaries	127,795	83,195	(44,600)
Program operations	56,055	39,718	(16,337)
Operating	137,960	127,115	(10,845)
Water park	159,210	103,210	(56,000)
Memorial arena	160,790	161,063	273
Miniature golf	26,740	19,570	(7,170)
Paddle boats	14,690	10,374	(4,316)
MSP concessions	20,725	11,913	(8,812)
Total expenditures	<u>1,044,933</u>	<u>894,319</u>	<u>(150,614)</u>
Excess revenue over (under) expenditures	<u>45,247</u>	<u>(23,088)</u>	<u>(68,335)</u>
<b><u>OTHER FINANCING SOURCES:</u></b>			
Transfers out	(35,392)	(35,392)	-
Total other financing sources	<u>(35,392)</u>	<u>(35,392)</u>	<u>-</u>
Net change in fund balance	9,855	(58,480)	(68,335)
Fund balance - beginning	(31,162)	(31,162)	-
Fund balance - ending	<u>\$ (21,307)</u>	<u>\$ (89,642)</u>	<u>\$ (68,335)</u>

See notes to supplementary information.

**Pekin Park District**  
**Supplementary Information**  
**Budgetary Comparison Schedule**  
**Major Governmental Fund - IMRF Fund**  
**For the Fiscal Year Ending June 30, 2020**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<b><u>REVENUES:</u></b>			
Taxes:			
Property tax	\$ 131,930	\$ 131,816	\$ (114)
Interest	300	794	494
Total revenues	<u>132,230</u>	<u>132,610</u>	<u>380</u>
<b><u>EXPENDITURES:</u></b>			
<b>CURRENT</b>			
<b>General government</b>			
Retirement	165,000	150,415	(14,585)
Total expenditures	<u>165,000</u>	<u>150,415</u>	<u>(14,585)</u>
Net change in fund balance	(32,770)	(17,805)	14,965
Fund balance - beginning	<u>96,228</u>	<u>96,228</u>	-
Fund balance - ending	<u>\$ 63,458</u>	<u>\$ 78,423</u>	<u>\$ 14,965</u>

See notes to the supplementary information.

**Pekin Park District  
Supplementary Information  
Budgetary Comparison Schedule  
Major Governmental Fund - Debt Service Fund  
For the Fiscal Year Ending June 30, 2020**

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<b><u>REVENUES:</u></b>			
Taxes			
Property tax	\$ 658,100	\$ 657,487	\$ (613)
Interest	670	3,738	3,068
Treasury rebate	134,152	125,957	(8,195)
Total revenues	<u>792,922</u>	<u>787,182</u>	<u>(5,740)</u>
<b><u>EXPENDITURES:</u></b>			
<b><u>CAPITAL OUTLAY</u></b>			
Infrastructure	800,000	576,695	(223,305)
Total capital outlay	<u>800,000</u>	<u>576,695</u>	<u>(223,305)</u>
<b><u>DEBT SERVICE</u></b>			
Principal	778,170	778,170	-
Interest	403,780	403,761	(19)
Total debt service	<u>1,181,950</u>	<u>1,181,931</u>	<u>(19)</u>
Total expenditures	<u>1,981,950</u>	<u>1,758,626</u>	<u>(223,324)</u>
Excess revenue over (under) expenditures	<u>(1,189,028)</u>	<u>(971,444)</u>	<u>217,584</u>
<b><u>OTHER FINANCING SOURCES:</u></b>			
Transfers out	(207,537)	(194,780)	12,757
Loan/bond proceeds	1,387,125	1,484,485	97,360
Bond fees	(13,300)	(18,800)	(5,500)
Total other financing sources	<u>1,166,288</u>	<u>1,270,905</u>	<u>110,117</u>
Net change in fund balance	(22,740)	299,461	327,701
Fund balance - beginning	22,747	22,747	-
Fund balance - ending	<u>\$ 7</u>	<u>\$ 322,208</u>	<u>\$ 327,701</u>

See notes to supplementary information.

**Pekin Park District  
Supplementary Information  
Budgetary Comparison Schedule  
Proprietary Fund - Golf Fund  
For the Fiscal Year Ending June 30, 2020**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Operating Revenues</b>			
Parkview	\$ 551,498	\$ 540,443	\$ (11,055)
Lick creek	697,432	483,238	(214,194)
Total operating revenue	<u>1,248,930</u>	<u>1,023,681</u>	<u>(225,249)</u>
<b>Operating Expenses</b>			
Parkview	502,949	438,436	(64,513)
Lick creek	650,524	584,730	(65,794)
Total operating expenses	<u>1,153,473</u>	<u>1,023,166</u>	<u>(130,307)</u>
Operating income (loss) before depreciation	<u>95,457</u>	<u>515</u>	<u>(94,942)</u>
<b>Non-Operating Revenue (Expenses)</b>			
Interest expense	(1,045)	(1,456)	(411)
Debt Principal	(40,580)	(26,852)	13,728
Transfers out	(51,053)	(51,048)	5
Total non-operating revenues (expenses)	<u>(92,678)</u>	<u>(79,356)</u>	<u>13,322</u>
Conversion to the modified cash basis	<u>40,580</u>	<u>(72,367)</u>	<u>(112,947)</u>
Change in net position	43,359	(151,208)	(194,567)
Net position, beginning	<u>669,392</u>	<u>669,392</u>	<u>-</u>
Net position, ending	<u>\$ 712,751</u>	<u>\$ 518,184</u>	<u>\$ (194,567)</u>

See notes to the supplementary information.

**Pekin Park District  
Supplementary Information  
Budgetary Comparison Schedule  
Proprietary Fund - Racquet & Health Fund  
For the Fiscal Year Ending June 30, 2020**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<b>Operating Revenues</b>			
Tennis	\$ 54,960	\$ 34,684	\$ (20,276)
Health	496,990	333,468	(163,522)
Vending	7,000	5,218	(1,782)
Collection	4,760	3,618	(1,142)
Total operating revenue	<u>563,710</u>	<u>376,988</u>	<u>(186,722)</u>
<b>Operating Expenses</b>			
Salaries	257,920	221,743	(36,177)
Social security	19,721	15,759	(3,962)
Tennis	2,200	3,181	981
Health	33,210	20,838	(12,372)
Operating	185,870	176,826	(9,044)
Vending	4,310	3,281	(1,029)
Collection	180	724	544
Total operating expenses	<u>503,411</u>	<u>442,352</u>	<u>(61,059)</u>
Operating income (loss) before depreciation	<u>60,299</u>	<u>(65,364)</u>	<u>(125,663)</u>
<b>Non-Operating Revenue (Expenses)</b>			
Interest revenue	50	-	(50)
Interest expense	(27,930)	(27,925)	5
Debt principal	(115,000)	(115,000)	-
Transfers in	142,930	142,930	-
Transfers out	(57,190)	(57,188)	2
Total non-operating revenues (expenses)	<u>(57,140)</u>	<u>(57,183)</u>	<u>(43)</u>
Conversion to the modified cash basis	<u>115,000</u>	<u>51,386</u>	<u>(63,614)</u>
Change in net position	118,159	(71,161)	(189,320)
Net position, beginning	<u>888,542</u>	<u>888,542</u>	<u>888,542</u>
Net position, ending	<u>\$ 118,159</u>	<u>\$ 817,381</u>	<u>\$ 699,222</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  
June 30, 2020**

	Special Revenue Funds				
	Miller Center Improvements	Liability Insurance	Health Insurance	Audit	Police
<b>ASSETS:</b>					
Cash	\$ 29,472	\$ 33,202	\$ 3,299	\$ 1,429	\$ 14,637
Total assets	<u>\$ 29,472</u>	<u>\$ 33,202</u>	<u>\$ 3,299</u>	<u>\$ 1,429</u>	<u>\$ 14,637</u>
<b>LIABILITIES:</b>					
Due to other funds	\$ -	\$ -	\$ 49,115	\$ -	\$ 6,481
Total liabilities	<u>-</u>	<u>-</u>	<u>49,115</u>	<u>-</u>	<u>6,481</u>
<b>FUND BALANCES:</b>					
Recreation	-	-	-	-	-
Miller center	29,472	-	-	-	-
Capital projects	-	-	-	-	-
Insurance	-	33,202	-	-	-
Police protection	-	-	-	-	8,156
Audit	-	-	-	1,429	-
Unassigned	-	-	(45,816)	-	-
Total fund balance	<u>29,472</u>	<u>33,202</u>	<u>(45,816)</u>	<u>1,429</u>	<u>8,156</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 29,472</u>	<u>\$ 33,202</u>	<u>\$ 3,299</u>	<u>\$ 1,429</u>	<u>\$ 14,637</u>

See notes to the supplementary information.

<u>Paving &amp; Lighting</u>	<u>Special Population</u>	<u>Capital Project Fund Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 47,253	\$ 5,884	\$ 135,176
<u>\$ -</u>	<u>\$ 47,253</u>	<u>\$ 5,884</u>	<u>\$ 135,176</u>
\$ 510	\$ -	\$ -	\$ 56,106
<u>510</u>	<u>-</u>	<u>-</u>	<u>56,106</u>
-	47,253	-	47,253
-	-	-	29,472
-	-	5,884	5,884
-	-	-	33,202
-	-	-	8,156
-	-	-	1,429
<u>(510)</u>	<u>-</u>	<u>-</u>	<u>(46,326)</u>
<u>(510)</u>	<u>47,253</u>	<u>5,884</u>	<u>79,070</u>
<u>\$ -</u>	<u>\$ 47,253</u>	<u>\$ 5,884</u>	<u>\$ 135,176</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 June 30, 2020**

	Special Revenue Funds				
	Miller Center Improvements	Liability Insurance	Health Insurance	Audit	Police
<b>REVENUES:</b>					
Taxes:					
Property tax	\$ -	\$ 299,791	\$ -	\$ 19,850	\$ 123,887
Charges for service	-	-	-	-	7,878
Operating contributions	1,107	312	-	-	-
Interest	146	487	9	81	245
Other revenue	-	58,079	1,330	-	404
Total revenue	<u>1,253</u>	<u>358,669</u>	<u>1,339</u>	<u>19,931</u>	<u>132,414</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	434,973	366,767	20,000	-
Public safety	-	-	-	-	194,905
Culture and recreation	2,160	-	-	-	-
Capital Outlay:					
Equipment	-	-	-	-	-
Total expenditures	<u>2,160</u>	<u>434,973</u>	<u>366,767</u>	<u>20,000</u>	<u>194,905</u>
Excess revenue over (under) expenditures	<u>(907)</u>	<u>(76,304)</u>	<u>(365,428)</u>	<u>(69)</u>	<u>(62,491)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	361,040	-	86,090
Transfers out	-	-	-	-	(8,962)
Bond fees	-	-	-	-	-
Total financing sources	<u>-</u>	<u>-</u>	<u>361,040</u>	<u>-</u>	<u>77,128</u>
Net change in fund balance	(907)	(76,304)	(4,388)	(69)	14,637
Fund balance - beginning	<u>30,379</u>	<u>109,506</u>	<u>(41,428)</u>	<u>1,498</u>	<u>(6,481)</u>
Fund balance - ending	<u>\$ 29,472</u>	<u>\$ 33,202</u>	<u>\$ (45,816)</u>	<u>\$ 1,429</u>	<u>\$ 8,156</u>

See notes to the supplementary information.

		Capital Project Fund	Total Nonmajor Governmental Funds
<u>Paving &amp; Lighting</u>	<u>Special Population</u>	<u>Capital Projects</u>	
\$ 4,988	\$ 198,249	\$ -	\$ 646,765
-	72,083	-	79,961
-	166,855	-	168,274
5	657	16	1,646
-	1,357	-	61,170
<u>4,993</u>	<u>439,201</u>	<u>16</u>	<u>957,816</u>
-	-	-	821,740
-	-	-	194,905
5,508	353,448	25,795	386,911
-	-	18,046	18,046
<u>5,508</u>	<u>353,448</u>	<u>43,841</u>	<u>1,421,602</u>
<u>(515)</u>	<u>85,753</u>	<u>(43,825)</u>	<u>(463,786)</u>
-	-	51,850	498,980
-	(78,122)	-	(87,084)
-	-	(8,075)	(8,075)
-	(78,122)	43,775	403,821
(515)	7,631	(50)	(59,965)
5	39,622	5,934	139,035
<u>\$ (510)</u>	<u>\$ 47,253</u>	<u>\$ 5,884</u>	<u>\$ 79,070</u>

See notes to the supplementary information.

**Pekin Park District  
Supplementary Information  
Budgetary Comparison Schedule  
Non-major Governmental Funds  
For the Fiscal Year Ending June 30, 2020**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<b><u>MILLER CENTER IMPROVEMENT FUND</u></b>			
<b><u>REVENUES:</u></b>			
Operating contributions			
Donations	\$ 6,000	1,107	\$ (4,893)
Interest	60	146	86
Total revenues	<u>6,060</u>	<u>1,253</u>	<u>(4,807)</u>
<b><u>EXPENDITURES:</u></b>			
<b><u>CURRENT</u></b>			
<b>    Culture &amp; recreation</b>			
Miller center	3,070	2,160	(910)
Net change in fund balance	2,990	(907)	(3,897)
Fund balance - beginning	30,379	30,379	-
Fund balance - ending	<u>\$ 33,369</u>	<u>\$ 29,472</u>	<u>\$ (3,897)</u>
<b><u>LIABILITY INSURANCE FUND</u></b>			
<b><u>REVENUES:</u></b>			
Taxes			
Property tax	\$ 300,070	\$ 299,791	\$ (279)
Operating contributions	5,650	312	(5,338)
Interest	350	487	137
Other income	11,150	58,079	46,929
Total revenues	<u>317,220</u>	<u>358,669</u>	<u>41,449</u>
<b><u>EXPENDITURES:</u></b>			
<b><u>CURRENT</u></b>			
<b>    General government</b>			
Liability insurance	250,310	308,446	58,136
Workers compensation	87,530	83,772	(3,758)
Unemployment insurance	40,000	29,241	(10,759)
Grant expenditures	5,650	312	(5,338)
Other insurance expenditures	17,400	13,202	(4,198)
Total expenditures	<u>400,890</u>	<u>434,973</u>	<u>34,083</u>
Net change in fund balance	(83,670)	(76,304)	7,366
Fund balance - beginning	109,506	109,506	-
Fund balance - ending	<u>\$ 25,836</u>	<u>\$ 33,202</u>	<u>\$ 7,366</u>

See notes to the supplementary information.

**Pekin Park District  
Supplementary Information  
Budgetary Comparison Schedule  
Non-major Governmental Funds - Continued  
For the Fiscal Year Ending June 30, 2020**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<b>HEALTH INSURANCE FUND</b>			
<b>REVENUES:</b>			
Interest	\$ 100	\$ 9	\$ (91)
Other revenue	-	1,330	1,330
Total revenues	<u>100</u>	<u>1,339</u>	<u>1,239</u>
<b>EXPENDITURES:</b>			
<b>CURRENT</b>			
<b>General Government</b>			
Insurance	<u>350,033</u>	<u>366,767</u>	<u>16,734</u>
Excess revenue over (under) expenditures	(349,933)	(365,428)	(15,495)
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	<u>361,045</u>	<u>361,040</u>	<u>(5)</u>
Total other financing sources	<u>361,045</u>	<u>361,040</u>	<u>(5)</u>
Net change in fund balance	11,112	(4,388)	(15,500)
Fund balance - beginning	<u>(41,428)</u>	<u>(41,428)</u>	<u>-</u>
Fund balance - ending	<u>\$ (30,316)</u>	<u>\$ (45,816)</u>	<u>\$ (15,500)</u>
<b>AUDIT FUND</b>			
<b>REVENUES:</b>			
<b>Taxes</b>			
Property taxes	\$ 19,870	\$ 19,850	\$ (20)
Interest	30	81	51
Total revenues	<u>19,900</u>	<u>19,931</u>	<u>31</u>
<b>EXPENDITURES:</b>			
<b>CURRENT</b>			
<b>General Government</b>			
Audit fees	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	(100)	(69)	31
Fund balance - beginning	<u>1,498</u>	<u>1,498</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,398</u>	<u>\$ 1,429</u>	<u>\$ 31</u>

See notes to supplementary information.



**Pekin Park District  
Supplementary Information  
Budgetary Comparison Schedule  
Non-major Governmental Funds - Continued  
For the Fiscal Year Ending June 30, 2020**

<u>SPECIAL POPULATION FUND</u>	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<b><u>REVENUES:</u></b>			
Taxes			
Property taxes	\$ 198,432	\$ 198,249	\$ (183)
Charges for service			
IRVSRA	55,178	36,029	(19,149)
Miller center	59,640	36,054	(23,586)
Operating contributions			
Fondulac contract contribution	75,000	112,500	37,500
IRVSRA contributions	29,172	12,683	(16,489)
Miller center contributions	37,650	35,216	(2,434)
Fundraising	7,000	4,868	(2,132)
Donations	3,300	1,588	(1,712)
Interest	300	657	357
Other revenue	1,350	1,357	7
Total revenues	<u>467,022</u>	<u>439,201</u>	<u>(27,821)</u>
<b><u>EXPENDITURES:</u></b>			
<b>CURRENT</b>			
<b>Culture and Recreation</b>			
IRVSRA	186,663	161,825	(24,838)
Miller center	227,603	181,101	(46,502)
Capital outlay	11,710	10,522	(1,188)
Total expenditures	<u>425,976</u>	<u>353,448</u>	<u>(72,528)</u>
Excess revenue over (under) expenditures	41,046	85,753	44,707
<b><u>OTHER FINANCING SOURCES:</u></b>			
Transfers out	<u>(78,122)</u>	<u>(78,122)</u>	<u>-</u>
Net change in fund balance	(37,076)	7,631	44,707
Fund balance - beginning	39,622	39,622	-
Fund balance - ending	<u>\$ 2,546</u>	<u>\$ 47,253</u>	<u>\$ 44,707</u>

See notes to the supplementary information.

**Pekin Park District**  
**Supplementary Information**  
**Budgetary Comparison Schedule**  
**Non-major Governmental Funds - Continued**  
**For the Fiscal Year Ending June 30, 2020**

	Original & Final Budget	Actual	Variance with Final Budget Over (Under)
<b><u>CAPITAL IMPROVEMENT FUND</u></b>			
<b><u>REVENUES:</u></b>			
Interest	\$ -	\$ 16	\$ 16
Total revenues	<u>-</u>	<u>16</u>	<u>16</u>
<b><u>EXPENDITURES:</u></b>			
<b>CURRENT</b>			
<b>Culture and Recreation</b>			
Improvement projects	44,837	43,841	(996)
	<u>44,837</u>	<u>43,841</u>	<u>(996)</u>
Excess revenue over (under) expenditures	<u>(44,837)</u>	<u>(43,825)</u>	<u>1,012</u>
<b><u>OTHER FINANCING SOURCES:</u></b>			
Transfers in	64,067	51,850	(12,217)
Bond fees	(13,300)	(8,075)	5,225
Total other financing sources	<u>50,767</u>	<u>43,775</u>	<u>(6,992)</u>
Net change in fund balance	5,930	(50)	(5,980)
Fund balance - beginning	5,934	5,934	-
Fund balance - ending	<u>\$ 11,864</u>	<u>\$ 5,884</u>	<u>\$ (5,980)</u>

See notes to the supplementary information.

**Pekin Park District**  
**Notes to the Supplementary Information**  
**June 30, 2020**

**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. In June, the Board approves an ordinance that directs the filing of a budget appropriation ordinance, and it sets a date for the public hearing on that ordinance.
2. During the summer months, the Director submits tentative budgets for board review. For 30 days prior to board approval, the tentative budget is put on public display.
3. A public hearing is conducted at a public meeting to obtain taxpayer comments, prior to final action by the Board.
4. Prior to September 30, the appropriation is legally enacted through passage of an ordinance.
5. 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.
6. Formal budgetary integration is employed as a management control device during the year for all funds.
7. Appropriated amounts were as adopted by the Board on September 26, 2019.
8. 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.
9. 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 June 30, 2020, the District had expenditures that exceeded final budget the Liability Insurance Fund by \$34,083, the Health Insurance Fund by \$16,734, and the Paving Lighting Fund by \$498.

**OTHER INFORMATION**

**Pekin Park District  
Other Information (Unaudited)  
Defined Benefit Plan Information  
June 30, 2020**

Annual Pension Cost

Pekin Park District's required contribution for 2019 was determined as part of the December 31, 2017, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2017, 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, 2017 is being amortized as a level percentage of projected payroll on an open 24 year basis.

Funded Status and Funding Progress

As of December 31, 2019, the most recent actuarial valuation date, the plan was 84.36% funded. The actuarial accrued liability for benefits was \$4,108,466 and the actuarial value of assets was \$3,465,983, resulting in an underfunded actuarial accrued liability (UAAL) of \$642,483. The covered payroll for calendar year 2019 (annual payroll of active employees covered by the plan) was \$1,545,304 and the ratio of the UAAL to covered payroll was 42 percent.

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)
12/31/19	\$3,465,983	\$ 4,108,466	\$ 642,482	84.36%	\$1,545,304	41.58%
12/31/18	3,487,186	4,251,735	764,549	82.02%	1,573,496	48.59%
12/31/17	4,197,357	4,543,332	345,975	92.38%	1,611,769	21.47%

On a market value basis, the actuarial value of assets as of December 31, 2019 is \$3,929,790. On a market basis, the funded ratio would be 95.65%

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 (Unaudited)  
Segmented Statement of Revenues Received, Expenses Disbursed, and  
Changes in Fund Net Position - Modified Cash Basis  
Golf Course Fund  
For the Fiscal Year Ending June 30, 2020**

	<u>Parkview Golf Course</u>	<u>Lick Creek Golf Course</u>	<u>Total</u>
<b>Operating Revenues</b>			
Charges for service	\$ 540,443	\$ 483,238	\$ 1,023,681
Total operating revenue	<u>540,443</u>	<u>483,238</u>	<u>1,023,681</u>
<b>Operating Expenses</b>			
Salaries	252,374	255,582	507,956
FICA expense	18,597	19,213	37,810
Contractual services	9,532	9,241	18,773
Repairs & maintenance	18,625	49,667	68,292
Utilities	16,338	23,490	39,828
Chemicals & fertilizer	36,931	75,404	112,335
Operating supplies	8,841	13,439	22,280
Irrigation	29,243	28,539	57,782
Fuel & lubricants	13,060	16,112	29,172
Pro shop accessories	2,774	50,178	52,952
Concession purchases	22,364	32,997	55,361
Office expense	275	697	972
Dues & subscriptions	880	1,678	2,558
Automobile	834	823	1,657
Processing fees	7,768	7,670	15,438
Total operating expenses	<u>438,436</u>	<u>584,730</u>	<u>1,023,166</u>
Operating income (loss) before depreciation	102,007	(101,492)	515
Depreciation	<u>49,610</u>	<u>49,609</u>	<u>99,219</u>
Operating income (loss)	<u>52,397</u>	<u>(151,101)</u>	<u>(98,704)</u>
<b>Non-Operating Revenue (Expenses)</b>			
Interest expense	(1,040)	(416)	(1,456)
Transfers out	<u>(34,380)</u>	<u>(16,668)</u>	<u>(51,048)</u>
Total non-operating revenues (expenses)	<u>(35,420)</u>	<u>(17,084)</u>	<u>(52,504)</u>
Change in net position	<u>\$ 16,977</u>	<u>\$ (168,185)</u>	(151,208)
Fund balance - beginning			<u>669,392</u>
Fund balance - ending			<u>\$ 518,184</u>

**Pekin Park District  
Other Information  
Long-Term Debt Requirements  
For the Fiscal Year Ending June 30, 2020**

**General Obligation Bonds of 2008A**

Fiscal Year	Principal	Interest	Total
2021	\$ 125,000	\$ 22,525	\$ 147,525
2022	130,000	16,625	146,625
2023	140,000	10,212	150,212
2024	145,000	3,444	148,444
Total	<u>\$ 540,000</u>	<u>\$ 52,806</u>	<u>\$ 592,806</u>

**General Obligation Bonds of 2010B**

Fiscal Year	Principal	Interest	Less Treasury Rebate	Net Interest	Total
2021	\$ 175,000	\$ 374,619	\$ (131,117)	\$ 243,502	\$ 418,502
2022	190,000	363,613	(127,264)	236,349	426,349
2023	210,000	350,112	(122,539)	227,573	437,573
2024	225,000	335,431	(117,401)	218,030	443,030
2025	245,000	319,569	(111,849)	207,720	452,720
2026	265,000	302,356	(105,825)	196,531	461,531
2027	285,000	283,438	(99,203)	184,235	469,235
2028	310,000	262,612	(91,914)	170,698	480,698
2029	335,000	240,038	(84,013)	156,025	491,025
2030	360,000	215,712	(75,499)	140,213	500,213
2031	390,000	189,463	(66,312)	123,151	513,151
2032	415,000	160,769	(56,269)	104,500	519,500
2033	450,000	129,412	(45,294)	84,118	534,118
2034	485,000	95,519	(33,432)	62,087	547,087
2035	520,000	59,087	(20,681)	38,406	558,406
2036	555,000	20,119	(7,042)	13,077	568,077
Total	<u>\$ 5,415,000</u>	<u>\$ 3,701,869</u>	<u>\$ (1,295,654)</u>	<u>\$ 2,406,215</u>	<u>\$ 7,821,215</u>

**Pekin Park District  
Other Information (Unaudited)  
Long-Term Debt Requirements  
June 30, 2020**

**General Obligation Bonds of 2018B**

Fiscal Year	Principal	Interest	Total
2021	\$ 265,370	\$ 3,782	\$ 269,152
Total	<u>\$ 265,370</u>	<u>\$ 3,782</u>	<u>\$ 269,152</u>

**General Obligation Bonds of 2019A**

Fiscal Year	Principal	Interest	Total
2021	\$ 142,880	\$ 3,018	\$ 145,898
Total	<u>\$ 142,880</u>	<u>\$ 3,018</u>	<u>\$ 145,898</u>

**General Obligation Bonds of 2019B**

Fiscal Year	Principal	Interest	Total
2021	\$ 227,800	\$ 7,922	\$ 235,722
2022	200,105	1,601	201,706
Total	<u>\$ 427,905</u>	<u>\$ 9,523</u>	<u>\$ 437,428</u>

**General Obligation Bonds of 2019C**

Fiscal Year	Principal	Interest	Total
2021	\$ -	\$ 23,846	\$ 23,846
2022	447,890	11,269	459,159
2023	465,810	3,843	469,653
Total	<u>\$ 913,700</u>	<u>\$ 38,958</u>	<u>\$ 952,658</u>

**Note Payable - Golf Carts**

Fiscal Year	Principal	Interest	Total
2021	\$ 17,364	\$ 529	\$ 17,893
Total	<u>\$ 17,364</u>	<u>\$ 529</u>	<u>\$ 17,893</u>

**Promissory Note**

Fiscal Year	Principal	Interest	Total
2020	\$ 150,000	\$ 5,325	\$ 155,325
Total	<u>\$ 150,000</u>	<u>\$ 5,325</u>	<u>\$ 155,325</u>

**Pekin Park District  
Other Information (Unaudited)  
Tax Year 2019, 2018, 2017, 2016  
For the Fiscal Year Ending June 30, 2020**

<b>Assessed Valuations, Rates, Extensions, and Collections</b>				
<b>Tax Year 2019, 2018, 2017, 2016</b>				
	Tax Year			
	2019	2018	2017	2016
Total Assessed Valuation	<u>\$ 494,793,929</u>	<u>\$ 500,200,480</u>	<u>\$ 501,368,983</u>	<u>\$ 496,889,469</u>
<b><u>Tax Rates (per \$100 assessed valuation):</u></b>				
General	0.1712	0.1567	0.1464	0.1241
Bonds and Interest	0.1328	0.1318	0.1260	0.1245
IMRF	0.0202	0.0264	0.0314	0.0312
Police Protection	0.0250	0.0248	0.0250	0.0250
Audit	0.0041	0.0040	0.0030	0.0030
Liability Insurance	0.0609	0.0601	0.0578	0.0560
Recreation	0.0705	0.0696	0.0674	0.0840
Paving and Lighting	0.0020	0.0010	0.0010	0.0024
Special Population	0.0400	0.0398	0.0400	0.0400
Total Tax Rates	<u>0.5267</u>	<u>0.5142</u>	<u>0.4980</u>	<u>0.4902</u>
<b><u>Tax Extensions:</u></b>				
General	\$ 846,840	\$ 783,664	\$ 733,804	\$ 616,690
Bonds and Interest	657,284	659,414	631,775	618,776
IMRF	100,047	132,203	157,630	157,315
Police Protection	123,698	124,250	125,342	124,222
Audit	20,039	19,908	15,141	14,807
Liability Insurance	301,379	300,671	289,541	279,302
Recreation	348,681	347,889	337,822	417,685
Paving and Lighting	10,044	5,002	5,014	11,826
Special Population	197,918	198,830	200,548	198,756
Total Taxes Extensions	<u>\$ 2,605,930</u>	<u>\$ 2,571,831</u>	<u>\$ 2,496,617</u>	<u>\$ 2,439,379</u>
<b><u>Collections:</u></b>				
General		\$ 781,371	\$ 733,399	\$ 614,912
Bonds and Interest		657,487	631,426	616,992
IMRF		131,816	157,545	156,862
Police Protection		123,887	125,274	123,865
Audit		19,850	15,134	14,764
Liability Insurance		299,791	289,381	278,497
Recreation		346,872	337,636	416,481
Paving and Lighting		4,988	5,010	11,792
Special Population		198,249	200,438	198,183
Total Collections		<u>\$ 2,564,311</u>	<u>\$ 2,495,243</u>	<u>\$ 2,432,348</u>
Collection to Extension Ratio		<u>99.71%</u>	<u>99.94%</u>	<u>99.71%</u>