

ITASCA PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2022

ITASCA PARK DISTRICT, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

September 12, 2022

Members of the Board of Commissioners
Itasca Park District
Itasca, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Itasca Park District, Illinois, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Itasca Park District, Illinois, as of April 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Itasca Park District, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

ITASCA PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended April 30, 2022. Please read it in conjunction with the District's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The District's net position of governmental activities increased by \$1,300,587, or 7.7 percent from a balance of \$16,800,605 as a result of this year's operations.
- During the year, government-wide revenues for the primary government totaled \$4,893,263, while expenses totaled \$3,592,676, resulting in an increase to net position of \$1,300,587.
- The District's net position totaled \$18,101,192 on April 30, 2022, which includes \$15,003,244 net investment in capital assets, \$224,992 subject to external restrictions, and \$2,872,956 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$47,110, resulting in ending fund balance of \$397,817, an increase of 13.4 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business. The government wide financial statements which can be found in the financial section of this report.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

ITASCA PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs. The governmental activities of the District consist of culture and recreation. The District does not have any business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Recreation Fund, Bond and Interest Fund, and Capital Improvement Fund, which are considered major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

ITASCA PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's I.M.R.F. employee pension obligations, retiree benefit plan, and budgetary comparison schedules for the General Fund and major special revenue funds. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$18,101,192.

| | Net Position | |
|------------------------------------|--------------|------------|
| | 2022 | 2021 |
| Current and Other Assets | \$ 6,516,093 | 6,095,115 |
| Capital Assets | 17,573,244 | 17,454,893 |
| Total Assets | 24,089,337 | 23,550,008 |
| Deferred Outflows | 371,376 | 768,876 |
| Total Assets/Deferred Outflows | 24,460,713 | 24,318,884 |
| Long-Term Debt | 2,172,163 | 2,382,154 |
| Other Liabilities | 828,824 | 1,865,642 |
| Total Liabilities | 3,000,987 | 4,247,796 |
| Deferred Inflows | 3,358,534 | 3,270,483 |
| Total Liabilities/Deferred Inflows | 6,359,521 | 7,518,279 |
| Net Position | | |
| Net Investment in Capital Assets | 15,003,244 | 14,470,477 |
| Restricted | 224,992 | 172,445 |
| Unrestricted | 2,872,956 | 2,157,683 |
| Total Net Position | 18,101,192 | 16,800,605 |

ITASCA PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

A large portion of the District's net position, \$15,003,244 or 82.9 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$224,992 or 1.2 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining 15.9 percent, or \$2,872,956, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

| | Changes in Net Position | |
|--------------------------------|-------------------------|-------------------|
| | 2022 | 2021 |
| Revenues | | |
| Program Revenues | | |
| Charges for Services | \$ 1,022,445 | 463,017 |
| Operating Grants/Contributions | 5,618 | 23,602 |
| Capital Grants/Contributions | 536,000 | 551,210 |
| General Revenues | | |
| Property Taxes | 2,761,464 | 2,756,366 |
| Replacement Taxes | 73,452 | 31,598 |
| Interest Income | 6,861 | 17,547 |
| Miscellaneous | 487,423 | 155,028 |
| Total Revenues | <u>4,893,263</u> | <u>3,998,368</u> |
| Expenses | | |
| Culture and Recreation | 3,466,940 | 2,390,428 |
| Interest on Long-Term Debt | 125,736 | 94,390 |
| Total Expenses | <u>3,592,676</u> | <u>2,484,818</u> |
| Change in Net Position | 1,300,587 | 1,513,550 |
| Net Position - Beginning | <u>16,800,605</u> | <u>15,287,055</u> |
| Net Position-Ending | <u>18,101,192</u> | <u>16,800,605</u> |

ITASCA PARK DISTRICT, ILLINOIS

Management’s Discussion and Analysis

April 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

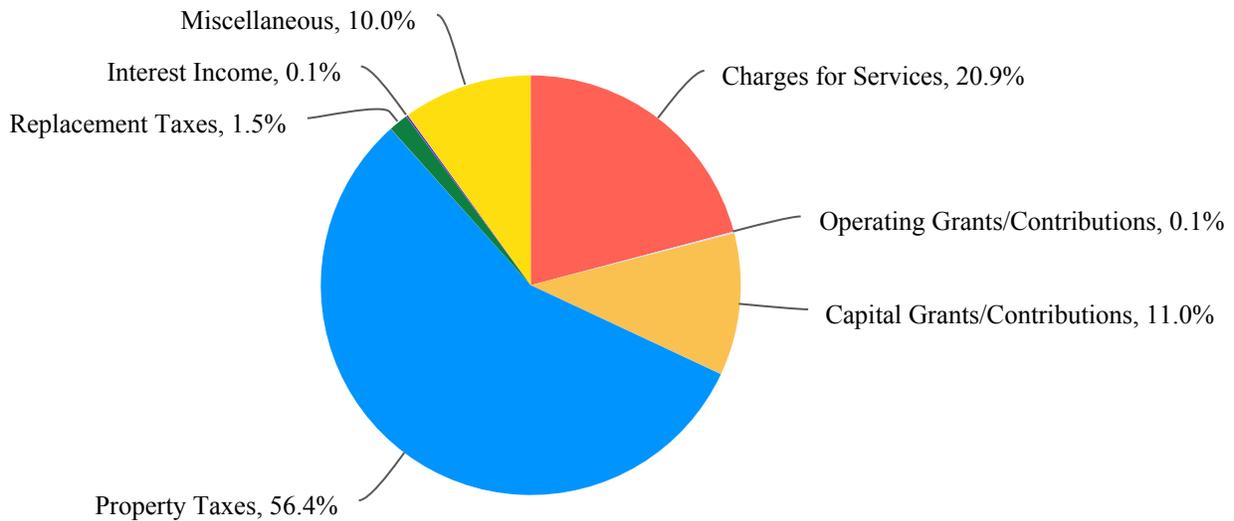
Net position of the District’s governmental activities increased by 7.7 percent (\$18,101,192 in 2022 compared to \$16,800,605 in 2021). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$2,872,956 at April 30, 2022.

Governmental Activities

Revenues for governmental activities totaled \$4,893,263, while the cost of all governmental functions totaled \$3,592,676. This results in an increase of \$1,300,587. In 2021, revenues of \$3,998,368 exceeded expenses of \$2,484,818, resulting in an increase of \$1,513,550. The large surplus in 2021 was due to increased operating and capital grant revenue along with decreased expenses.

The following table graphically depicts the major revenue sources of the District. It depicts very clearly the reliance of property taxes to fund governmental activities. It also clearly identifies the less significant percentage the District receives from interest income.

Revenues by Source - Governmental Activities



ITASCA PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The District's governmental funds reported combining ending fund balances of \$2,773,491, which is an increase of \$150,314, or 5.7 percent, from last year's total of \$2,623,177. Of the \$2,773,491 total, \$395,203, or approximately 14.2 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported an increase in fund balance for the year of \$47,110, an increase of 13.4 percent. Revenues in all categories except for intergovernmental and interest came in under budget, and expenditures for all groups in the General Fund except for repairs and maintenance were over budget. Budgeted expenditures totaled \$775,160 while actual expenditures totaled \$763,794. These variances are due to the State lifting Covid-19 restrictions and the District returning to more normal operations. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance. The fund balance in the General Fund increased \$47,110 in 2022 following a transfer out of \$60,000 to the Bond and Interest fund. This increase is mostly attributable to significant increase revenues offset by an increase in expenditures of \$96,954 compared to last year.

The General Fund is the chief operating fund of the District. At April 30, 2022, unassigned fund balance in the General Fund was \$395,203, which represents 99.3 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 51.7 percent of total General Fund expenditures.

The fund balance in the Recreation Fund increased \$48,174 in 2022. This is mostly attributable to the additional programs that were able to run in preschool, athletics, and day camp due to the fewer restrictions from the COVID-19 Pandemic.

The fund balance in the Bond and Interest Fund remained relatively flat, reflecting an increase of \$3,740 in 2022. Property tax revenues of \$881,122 and a debt issuance of \$550,084 supported the debt service requirements for the year.

The fund balance in the Capital Improvement Fund decreased \$4,895 in 2022. Overall the fund balance stayed consistent with prior year.

ITASCA PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS

The District Commissioners did not make any budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$870,904, compared to budgeted revenues of \$780,170. As stated earlier, intergovernmental revenues were higher than budgeted by \$57,070 and miscellaneous revenues were higher than budgeted by \$37,473, while property tax revenues were lower than budgeted by \$3,837.

The General Fund actual expenditures for the year were \$11,366 under budgeted (\$763,794 actual compared to \$775,160 budgeted). All expenditure groups of the culture and recreation function, except for services and utilities and repairs and maintenance, were under budgeted expenditures by \$6,713. In addition, capital outlay also came in over budget by \$2,734.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental as of April 30, 2022 was \$17,573,244 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, equipment, and licensed vehicles.

| | Capital Assets - Net of Depreciation | |
|--------------------------|--------------------------------------|-------------------|
| | 4/30/2022 | 4/30/2021 |
| Land | \$ 1,287,352 | 1,287,352 |
| Construction in Progress | 35,143 | 3,031,926 |
| Land Improvements | 5,409,347 | 1,833,335 |
| Buildings | 9,703,440 | 10,033,169 |
| Equipment | 1,091,441 | 1,205,702 |
| Licensed Vehicles | 46,521 | 63,409 |
| Total | <u>17,573,244</u> | <u>17,454,893</u> |

This year's major additions included:

| | |
|--------------------------|----------------|
| Construction in Progress | \$ 35,143 |
| Land Improvements | 840,489 |
| Equipment | <u>13,952</u> |
| | <u>889,584</u> |

Additional information on the District's capital assets can be found in Note 3 of this report.

ITASCA PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Long-Term Debt

At year-end, the District had total outstanding debt of \$2,570,000 as compared to \$2,984,416 the previous year, a decrease of \$414,416, or 13.9 percent. The following is a comparative statement of outstanding debt:

| | Long-Term Debt Outstanding | |
|--------------------------|-------------------------------|------------------|
| | 4/30/2022 | 4/30/2021 |
| General Obligation Bonds | \$ 2,570,000 | 2,454,416 |
| Debt Certificates | — | 530,000 |
| | <u>2,570,000</u> | <u>2,984,416</u> |

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 2.875 percent of its total assessed valuation. The current debt limit for the District is \$17,097,125.

Additional information on the District's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS

In March 2020, Illinois was shut down via the Governor's Executive Order in response to the COVID 19 World-Wide Pandemic. The 2021/2022 budget was based upon a non-pandemic time, knowing as we moved into the 2021/2022 FY, that things could be greatly affected and the budget could change. The pandemic affected 2021/2022 programming trends and economic factors affected facility operations of the Park District. Although these areas were affected, they continue to improve from the initial pandemic year of 2020/2021. As the District looks to the future, private sector development of competitive facilities and comparable services in the area, trends in facility usage, and the availability for acquisition of open space and facilities are constant considerations.

There are several additional factors that the Park District is dealing with and will address in the upcoming 2022/2023 budget year as well:

- The continuing negative effects of the tax cap on the District's property tax revenue, along with the current CPI impact.
- Current state of the general economy due to COVID 19.
- Increased pricing of wages due to State minimum wage increases and benefits.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Executive Director, District, Maryfran H. Leno, 350 East Irving Park Road , Itasca, IL 60143, 630-773-2257.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

ITASCA PARK DISTRICT, ILLINOIS

Statement of Net Position

April 30, 2022

See Following Page

ITASCA PARK DISTRICT, ILLINOIS

Statement of Net Position

April 30, 2022

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current Assets | |
| Cash and Investments | \$ 2,530,687 |
| Receivables - Net of Allowances | 2,985,581 |
| Prepays | <u>9,772</u> |
| Total Current Assets | <u>5,526,040</u> |
| Noncurrent Assets | |
| Capital Assets | |
| Nondepreciable Capital Assets | 1,322,495 |
| Depreciable Capital Assets | 26,226,426 |
| Accumulated Depreciation | <u>(9,975,677)</u> |
| Total Capital Assets | 17,573,244 |
| Other Assets | |
| Net Pension Asset - IMRF | <u>990,053</u> |
| Total Noncurrent Assets | <u>18,563,297</u> |
| Total Assets | <u>24,089,337</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred Items - IMRF | <u>371,376</u> |
| Total Assets and Deferred Outflows of Resources | <u>24,460,713</u> |

The notes to the financial statements are an integral part of this statement.

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | \$ 104,870 |
| Accrued Payroll | 17,679 |
| Accrued Interest | 17,706 |
| Other Payables | 235,528 |
| Current Portion of Long-Term Debt | 453,041 |
| Total Current Liabilities | <u>828,824</u> |
| Noncurrent Liabilities | |
| Compensated Absences Payable | 44,163 |
| General Obligation Bonds Payable | 2,128,000 |
| Total Noncurrent Liabilities | <u>2,172,163</u> |
| Total Liabilities | <u>3,000,987</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | 2,394,472 |
| Deferred Items - IMRF | 964,062 |
| Total Deferred Inflows of Resources | <u>3,358,534</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>6,359,521</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 15,003,244 |
| Restricted | |
| Special Recreation | 13,563 |
| Museum | 109,031 |
| Social Security | 42,235 |
| IMRF | 25,017 |
| Audit | 2,075 |
| Insurance | 33,071 |
| Unrestricted | <u>2,872,956</u> |
| Total Net Position | <u>18,101,192</u> |

The notes to the financial statements are an integral part of this statement.

ITASCA PARK DISTRICT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2022

| | Program Revenues | | | | Net (Expenses)/ Revenues |
|--------------------------------------|----------------------------|------------------------------|---------------------------------------|-------------------------------------|--------------------------------|
| | Charges for Expenses | Operating for Services | Operating Grants/ Contributions | Capital Grants/ Contributions | |
| Governmental Activities | | | | | |
| Culture and Recreation | \$ 3,466,940 | 1,022,445 | 5,618 | 536,000 | (1,902,877) |
| Interest on Long-Term Debt | 125,736 | — | — | — | (125,736) |
| Total Governmental Activities | 3,592,676 | 1,022,445 | 5,618 | 536,000 | (2,028,613) |

General Revenues

Taxes

Property Taxes 2,761,464

Intergovernmental - Unrestricted

Replacement Taxes 73,452

Interest 6,861

Miscellaneous 487,423

3,329,200

Change in Net Position 1,300,587

Net Position - Beginning 16,800,605

Net Position - Ending 18,101,192

The notes to the financial statements are an integral part of this statement.

ITASCA PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2022

See Following Page

ITASCA PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2022

| | <u>General</u> |
|--|-----------------------------|
| ASSETS | |
| Cash and Investments | \$ 413,379 |
| Receivables - Net of Allowances | |
| Taxes | 740,665 |
| Accounts | 284 |
| Prepays | <u>2,614</u> |
| Total Assets | <u><u>1,156,942</u></u> |
| LIABILITIES | |
| Accounts Payable | 15,520 |
| Accrued Payroll | 2,940 |
| Other Payables | — |
| Total Liabilities | <u>18,460</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | <u>740,665</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>759,125</u> |
| FUND BALANCES | |
| Nonspendable | 2,614 |
| Restricted | — |
| Committed | — |
| Assigned | — |
| Unassigned | <u>395,203</u> |
| Total Fund Balances | <u>397,817</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>1,156,942</u></u> |

The notes to the financial statements are an integral part of this statement.

| Recreation | Bond and Interest | Capital Improvement | Nonmajor | Totals |
|------------|-------------------|---------------------|----------|-----------|
| 1,218,386 | 1,030 | 668,737 | 229,155 | 2,530,687 |
| 614,337 | 489,739 | — | 549,731 | 2,394,472 |
| 55,825 | — | 535,000 | — | 591,109 |
| 7,158 | — | — | — | 9,772 |
| 1,895,706 | 490,769 | 1,203,737 | 778,886 | 5,526,040 |
| 89,350 | — | — | — | 104,870 |
| 11,199 | — | — | 3,540 | 17,679 |
| 235,528 | — | — | — | 235,528 |
| 336,077 | — | — | 3,540 | 358,077 |
| 614,337 | 489,739 | — | 549,731 | 2,394,472 |
| 950,414 | 489,739 | — | 553,271 | 2,752,549 |
| 7,158 | — | — | — | 9,772 |
| — | 1,030 | — | 224,992 | 226,022 |
| — | — | 1,203,737 | 623 | 1,204,360 |
| 938,134 | — | — | — | 938,134 |
| — | — | — | — | 395,203 |
| 945,292 | 1,030 | 1,203,737 | 225,615 | 2,773,491 |
| 1,895,706 | 490,769 | 1,203,737 | 778,886 | 5,526,040 |

The notes to the financial statements are an integral part of this statement.

ITASCA PARK DISTRICT, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

April 30, 2022

| | |
|--|--|
| Total Governmental Fund Balances | \$ 2,773,491 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds. | 17,573,244 |
| A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF | 990,053 |
| Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF | (592,686) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable General Obligation Bonds Payable Accrued Interest Payable | (55,204) (2,570,000) <u>(17,706)</u> |
| Net Position of Governmental Activities | <u>18,101,192</u> |

The notes to the financial statements are an integral part of this statement.

ITASCA PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2022**

See Following Page

ITASCA PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2022**

| | <u>General</u> |
|--|-----------------------|
| Revenues | |
| Taxes | |
| Property Taxes | \$ 687,953 |
| Charges for Services | |
| Program and Event Fees | — |
| Fitness Center | — |
| Swimming Pool | — |
| Concessions | — |
| Rentals | — |
| Intergovernmental | |
| Replacement Taxes | 73,452 |
| Grants | |
| FEMA COVID Grant | 5,618 |
| Water Park Grant | — |
| Springbrook Nature Center | — |
| Donations | — |
| Interest | 5,028 |
| Miscellaneous | |
| Village Sponsorship | — |
| Rental Income | 41,231 |
| Reimbursements | — |
| Other | 57,622 |
| Total Revenues | <u>870,904</u> |
| Expenditures | |
| Current | |
| Culture and Recreation | 731,560 |
| Capital Outlay | |
| Grant - Water Park Bath House | — |
| General Capital Expenditures | 32,234 |
| Debt Service | |
| Principal Retirement | — |
| Interest and Fiscal Charges | — |
| Total Expenditures | <u>763,794</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>107,110</u> |
| Other Financing Sources (Uses) | |
| Debt Issuance | — |
| Transfers In | — |
| Transfers Out | (60,000) |
| | <u>(60,000)</u> |
| Net Change in Fund Balances | 47,110 |
| Fund Balances - Beginning | <u>350,707</u> |
| Fund Balances - Ending | <u><u>397,817</u></u> |

The notes to the financial statements are an integral part of the statement.

| Recreation | Bond and Interest | Capital Improvement | Nonmajor | Totals |
|------------|-------------------|---------------------|----------|-----------|
| 589,724 | 881,122 | — | 602,665 | 2,761,464 |
| 699,803 | — | — | 225 | 700,028 |
| 94,253 | — | — | — | 94,253 |
| 170,743 | — | — | — | 170,743 |
| 8,356 | — | — | — | 8,356 |
| 49,065 | — | — | — | 49,065 |
| — | — | — | — | 73,452 |
| — | — | — | — | 5,618 |
| — | — | 200,000 | — | 200,000 |
| — | — | 335,000 | — | 335,000 |
| — | — | 1,000 | — | 1,000 |
| — | — | 1,833 | — | 6,861 |
| 56,400 | — | — | 15,000 | 71,400 |
| — | — | — | — | 41,231 |
| 5,016 | — | — | 3,905 | 8,921 |
| 15,549 | — | 292,700 | — | 365,871 |
| 1,688,909 | 881,122 | 830,533 | 621,795 | 4,893,263 |
| 1,424,831 | — | — | 445,176 | 2,601,567 |
| 215,904 | — | 855,344 | 120,434 | 1,191,682 |
| — | — | — | — | 32,234 |
| — | 984,416 | — | — | 984,416 |
| — | 503,050 | — | — | 503,050 |
| 1,640,735 | 1,487,466 | 855,344 | 565,610 | 5,312,949 |
| 48,174 | (606,344) | (24,811) | 56,185 | (419,686) |
| — | 550,084 | 19,916 | — | 570,000 |
| — | 60,000 | — | — | 60,000 |
| — | — | — | — | (60,000) |
| — | 610,084 | 19,916 | — | 570,000 |
| 48,174 | 3,740 | (4,895) | 56,185 | 150,314 |
| 897,118 | (2,710) | 1,208,632 | 169,430 | 2,623,177 |
| 945,292 | 1,030 | 1,203,737 | 225,615 | 2,773,491 |

The notes to the financial statements are an integral part of the statement.

ITASCA PARK DISTRICT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended April 30, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ 150,314

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|--------------------------------------|-----------|
| Capital Outlays | 889,584 |
| Depreciation Expense | (767,843) |
| Disposals - Cost | (272,036) |
| Disposals - Accumulated Depreciation | 268,646 |

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

| | |
|---------------------------------|-----------|
| Change in Deferred Items - IMRF | (753,481) |
| Change in Deferred Items - RBP | (31,107) |

The issuance of long-term debt provides current financial resources to governmental funds, While the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

| | |
|--------------------------------------|-----------|
| Change in Compensated Absences | 542 |
| Change in Net Pension (Asset) - IMRF | 956,681 |
| Change in Total OPEB Liability - RBP | 67,557 |
| Issuance of Long-Term Debt | (570,000) |
| Retirement of Long-Term Debt | 984,416 |

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

377,314

Changes in Net Position of Governmental Activities

1,300,587

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Itasca Park District (the District), Illinois was incorporated on July 25, 1964. The District provides recreation and other services to the residents of the Itasca Park District, which include recreation programs, park management, capital development, and general administration as authorized by its charter under the authority of the Park Members of the Board of Commissioners.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61 "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The District's preservation of open space, recreational program activities, development and maintenance of the District's various parks and facilities, and general administration are all classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (culture and recreation, etc.). The functions are supported by general government revenues (property taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property taxes, interest income, etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into one major category: governmental. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is a primary operating fund of the District or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all revenues and expenditures of the District which are not accounted for in other funds. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains seven special revenue funds. The Recreation Fund, a major fund, is used to account for the revenue and expenditures of the various recreation programs of the District. An annual tax levy in conjunction with program revenue is used to finance the fund. Additionally, the District has six nonmajor special revenue funds.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Bond and Interest Fund, a major fund, accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Improvement Fund, a major fund, accounts for all resources used for the acquisition of capital assets by the District. Additionally, the District has one nonmajor capital projects fund.

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows 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.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has no investments at year-end.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes.

Prepays

Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more (depending on asset class) are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets - Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

| | |
|-------------------|--------------|
| Land Improvements | 20 Years |
| Buildings | 7 - 50 Years |
| Equipment | 5 - 30 Years |
| Licensed Vehicles | 8 Years |

Compensated Absences

The District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Long-Term Obligations - Continued

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

Net Position

In the government-wide financial statements, equity is classified as net position 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 balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets."

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the District submit requests for budgets to the Executive Director so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested budgets for the next fiscal year.

The proposed budget is presented to the District Board for review. The District Board holds public hearings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget.

Prior to May 1, the budget, which by State law also serves as the appropriation ordinance, is adopted by the Board of Commissioners and constitutes the legal budget of the District. The District Manager is authorized to transfer budgeted amounts within any fund; however, the Board of Commissioners must approve any revisions that alter the total expenditures of any fund. State statutes establish that expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

| Fund | Excess |
|-------------------|------------|
| Bond and Interest | \$ 541,606 |

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the District's funds.

Permitted Deposits and Investments - Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, and commercial paper rated within the three highest classifications by at least two standard rating services.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk

Deposits. At year-end, the carrying amount of the District's deposits totaled \$2,530,687 and the bank balances totaled \$2,554,706.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy does not address interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy does not address credit risk.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration of Credit Risk - Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy does not address custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy does not address concentration of credit risk.

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not address custodial credit risk for investments.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

| Transfers In | Transfers Out | Amount |
|-------------------|---------------|------------------|
| Bond and Interest | General | <u>\$ 60,000</u> |

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

PROPERTY TAXES

Property taxes for 2021 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them in two fairly equal payments with a third lesser payment of any disputed taxes.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|------------------|------------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 1,287,352 | — | — | 1,287,352 |
| Construction in Progress | 3,031,926 | 35,143 | 3,031,926 | 35,143 |
| | <u>4,319,278</u> | <u>35,143</u> | <u>3,031,926</u> | <u>1,322,495</u> |
| Depreciable Capital Assets | | | | |
| Land Improvements | 4,364,654 | 3,872,415 | 258,826 | 7,978,243 |
| Buildings | 15,466,086 | — | — | 15,466,086 |
| Equipment | 2,558,033 | 13,952 | 13,210 | 2,558,775 |
| Licensed Vehicles | 223,322 | — | — | 223,322 |
| | <u>22,612,095</u> | <u>3,886,367</u> | <u>272,036</u> | <u>26,226,426</u> |
| Less Accumulated Depreciation | | | | |
| Land Improvements | 2,531,319 | 295,763 | 258,186 | 2,568,896 |
| Buildings | 5,432,917 | 329,729 | — | 5,762,646 |
| Equipment | 1,352,331 | 125,463 | 10,460 | 1,467,334 |
| Licensed Vehicles | 159,913 | 16,888 | — | 176,801 |
| | <u>9,476,480</u> | <u>767,843</u> | <u>268,646</u> | <u>9,975,677</u> |
| Total Net Depreciable Capital Assets | <u>13,135,615</u> | <u>3,118,524</u> | <u>3,390</u> | <u>16,250,749</u> |
| Total Net Capital Assets | <u>17,454,893</u> | <u>3,153,667</u> | <u>3,035,316</u> | <u>17,573,244</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------|-------------------|
| Culture and Recreation | <u>\$ 767,843</u> |
|------------------------|-------------------|

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

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. General obligation bonds currently outstanding are as follows:

| Issue | Beginning Balances | Issuances | Retirements | Ending Balances |
|---|-----------------------|----------------|----------------|--------------------|
| General Obligation Limited Tax Park Bonds of 2006 - Due in one installment of \$379,416 plus semi-annual interest at 4.85% through December 30, 2021. | \$ 379,416 | — | 379,416 | — |
| General Obligation Refunding Park Bonds of 2017 - Due in annual installments of \$55,000 to \$430,000 plus semi-annual interest at 1.14% to 2.34% through December 30, 2021. | 75,000 | — | 75,000 | — |
| General Obligation Limited Tax Park Bonds of 2019A - Due in annual installments of \$170,000 to \$245,000 plus semi-annual interest of 2.42% to 2.99% through January 1, 2028. | 2,000,000 | — | — | 2,000,000 |
| General Obligation Limited Tax Park Bonds of 2021 - Due in annual installments of \$272,000 to \$298,000 plus semi-annual interest of 0.60% to 0.80% through December 30, 2023. | — | 570,000 | — | 570,000 |
| | <u>2,454,416</u> | <u>570,000</u> | <u>454,416</u> | <u>2,570,000</u> |

Debt Certificate

The District issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates currently outstanding are as follows:

| Issue | Beginning Balance | Issuances | Retirements | Ending Balance |
|--|----------------------|-----------|-------------|-------------------|
| Debt Certificates of 2019B - Due in annual installments of \$260,000 to \$270,000 plus semi-annual interest of 2.52% to 2.54% through January 1, 2023. | \$ 530,000 | — | 530,000 | — |

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|----------------------------|-----------------------|----------------|------------------|--------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 55,746 | 542 | 1,084 | 55,204 | 11,041 |
| Total OPEB Liability - RBP | 67,557 | — | 67,557 | — | — |
| General Obligation Bonds | 2,454,416 | 570,000 | 454,416 | 2,570,000 | 442,000 |
| Debt Certificate | 530,000 | — | 530,000 | — | — |
| | <u>3,107,719</u> | <u>570,542</u> | <u>1,053,057</u> | <u>2,625,204</u> | <u>453,041</u> |

The compensated absences are generally liquidated by the General Fund and Recreation Fund. The OPEB liability is generally liquidated by the General Fund. The Debt Service Fund makes payments on the general obligation bonds and debt certificate.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

| Fiscal Year | General Obligation Bonds | |
|----------------|-----------------------------|----------------|
| | Principal | Interest |
| 2023 | \$ 442,000 | 57,301 |
| 2024 | 473,000 | 51,388 |
| 2025 | 450,000 | 44,734 |
| 2026 | 470,000 | 33,304 |
| 2027 | 490,000 | 20,850 |
| 2028 | 245,000 | 7,326 |
| Totals | <u>2,570,000</u> | <u>214,903</u> |

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Chapter 70, Section 1205/6-2 of the Illinois Compiled Statutes provides "...for the payment of land condemned or purchased for parks or boulevards, for the building, maintaining, improving and protection of the same and for the payment of the expenses incident thereto, or for the acquisition of real estate and lands to be used as a site for an armory, any park district is authorized to issue the bonds or notes of such park district and pledge its property and credit therefore to an amount including existing indebtedness of such district so that the aggregate indebtedness of such district does not exceed 2.875% of the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the issue from time to time of such bonds or notes or, until January 1, 1983, if greater, the sum that is produced by multiplying the district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, if a petition, signed by voters in number equal to not less than 2% of the voters of the district, who voted at the last general election in the district, asking that the authorized aggregate indebtedness of the district be increased to not more than .575% of the value of the taxable property therein, is presented to the Board and such increase is approved by the voters of the district at a referendum held on the question."

| | |
|---|-----------------------|
| Assessed Valuation - 2021 | <u>\$ 594,682,621</u> |
| Legal Debt Limit - 2.875% of Equalized Assessed Value | 17,097,125 |
| Amount of Debt Applicable to Limit | <u>2,570,000</u> |
| Legal Debt Margin | <u>14,527,125</u> |
| Non-Referendum Legal Debt Limit | |
| 0.575% of Assessed Valuation | 3,419,425 |
| Amount of Debt Applicable to Debt Limit | <u>2,570,000</u> |
| Non-Referendum Legal Debt Margin | <u>849,425</u> |

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2022:

Governmental Activities

| | |
|---|--------------------------|
| Capital Assets - Net of Accumulated Depreciation | \$ 17,573,244 |
| Less Capital Related Debt: | |
| General Obligation Limited Tax Park Bonds 2019A | (2,000,000) |
| General Obligation Limited Tax Park Bonds of 2021 | <u>(570,000)</u> |
| Net Investment in Capital Assets | <u><u>15,003,244</u></u> |

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such 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 Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Members of the Board of Commissioners' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Members of the Board of Commissioners itself or b) a body or official to which the Members of the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Members of the Board of Commissioners, who is authorized to assign amounts to a specific purpose.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

| | General | Recreation | Bond and Interest | Capital Improvement | Nonmajor | Totals |
|---------------------|----------|------------|----------------------|------------------------|----------|-----------|
| Fund Balances | | | | | | |
| Nonspendable | | | | | | |
| Prepays | \$ 2,614 | 7,158 | — | — | — | 9,772 |
| Restricted | | | | | | |
| Special Recreation | — | — | — | — | 13,563 | 13,563 |
| Museum | — | — | — | — | 109,031 | 109,031 |
| Social Security | — | — | — | — | 42,235 | 42,235 |
| IMRF | — | — | — | — | 25,017 | 25,017 |
| Audit | — | — | — | — | 2,075 | 2,075 |
| Insurance | — | — | — | — | 33,071 | 33,071 |
| Debt Service | — | — | 1,030 | — | — | 1,030 |
| | — | — | 1,030 | — | 224,992 | 226,022 |
| Committed | | | | | | |
| Capital Projects | — | — | — | 1,203,737 | 623 | 1,204,360 |
| Assigned | | | | | | |
| Recreation | — | 938,134 | — | — | — | 938,134 |
| Unassigned | 395,203 | — | — | — | — | 395,203 |
| Total Fund Balances | 397,817 | 945,292 | 1,030 | 1,203,737 | 225,615 | 2,773,491 |

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

Park District Risk Management Agency (PDRMA)

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since 1992, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability and workers compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect as of January 1, 2022 to January 1, 2023:

| Coverage | Member Deductible | PDRMA Self-Insured Retention | Limits |
|--------------------------------------|--------------------------|-------------------------------------|---|
| PROPERTY | | | |
| Property/Bldg/Contents | | | |
| All Losses Per Occurrence | \$1,000 | \$1,000,000 | \$1,000,000,000/All Members |
| Flood/Except Zones A & V | \$1,000 | \$1,000,000 | \$100,000,000/Occurrence/Annual Aggregate |
| Flood, Zones A & V | \$1,000 | \$1,000,000 | \$50,000,000/Occurrence/Annual Aggregate |
| Earthquake Shock | \$1,000 | \$100,000 | \$100,000,000/Occurrence/Annual Aggregate |
| Auto Physical Damage | | | |
| Comprehensive and Collision | \$1,000 | \$1,000,000 | Included |
| Course of Construction | \$1,000 | Included | \$25,000,000 |
| Tax Revenue Interruption | \$1,000 | \$1,000,000 | \$3,000,000/Reported Values |
| | | | \$1,000,000/Non-Reported Values |
| Business Interruption, Rental Income | \$1,000 | | \$100,000,000/Reported Values |
| | | | \$500,000/\$2,500,000/Non-Reported Values |
| Off Premises Service Interruption | 24 Hours | N/A | \$25,000,000 |
| Boiler and Machinery | | | \$100,000,000 Equipment Breakdown |
| Property Damage | \$1,000 | \$9,000 | Property Damage - Included |
| Business Income | 48 Hours | N/A | Included |
| Fidelity and Crime | \$1,000 | \$24,000 | \$2,000,000/Occurrence |
| Seasonal Employees | \$1,000 | \$9,000 | \$1,000,000/Occurrence |
| Blanket Bond | \$1,000 | \$24,000 | \$2,000,000/Occurrence |
| WORKERS COMPENSATION | | | |
| Employers Liability | N/A | \$500,000 | Statutory |
| | | \$500,000 | \$3,500,000 Employers Liability |

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

| Coverage | Member Deductible | PDRMA Self- Insured Retention | Limits |
|---|------------------------------|--|---|
| LIABILITY | | | |
| General | None | \$500,000 | \$21,500,000/Occurrence |
| Auto Liability | None | \$500,000 | \$21,500,000/Occurrence |
| Employment Practices | None | \$500,000 | \$21,500,000/Occurrence |
| Public Officials' Liability | None | \$500,000 | \$21,500,000/Occurrence |
| Law Enforcement Liability | None | \$500,000 | \$21,500,000/Occurrence |
| Uninsured/Underinsured Motorists | None | \$500,000 | \$1,000,000/Occurrence |
| Communicable Disease | \$1,000/\$5,000 | \$5,000,000 | \$250,000/Claim/Aggregate; \$5,000,000 Aggregate All Members |
| POLLUTION LIABILITY | | | |
| Liability - Third Party | None | \$25,000 | \$5,000,000/Occurrence |
| Property - First Party | \$1,000 | \$24,000 | \$30,000,000 3 Year Aggregate |
| OUTBREAK EXPENSE | | | \$1,000,000 Aggregate Policy Limit |
| Outbreak Suspension | 24 Hours | N/A | \$5,000/\$25,000/Day All Locations \$150,000/\$500,000 Aggregate |
| Workplace Violence Suspension | 24 Hours | N/A | \$15,000/Day All Locations 5 Day Maximum |
| Fungus Suspension | 24 Hours | N/A | \$15,000/Day All Locations 5 Day Maximum |
| INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA | | | |
| LIABILITY COVERAGE | | | |
| Breach Response | \$1,000 | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Business Interruption | 8 Hours | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Business Interruption due to | | | |
| System Failure | 8 Hours | \$100,000 | \$250,000/Occurrence/Annual Aggregate |
| Dependent Business Loss | 8 Hours | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Liability | \$1,000 | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| eCrime | \$1,000 | \$100,000 | \$50,000/Occurrence/Annual Aggregate |
| Criminal Reward | \$1,000 | \$100,000 | \$50,000/Occurrence/Annual Aggregate |
| DEADLY WEAPON RESPONSE | | | |
| Liability | \$1,000 | \$9,000 | \$500,000/Occurrence/\$2,500,000 Annual Aggregate |
| First Party Property | \$1,000 | \$9,000 | \$250,000/Occurrence as part of overall limit |
| Crisis Management Services | \$1,000 | \$9,000 | \$250,000/Occurrence as part of overall limit |
| Counseling/Funeral Expenses | \$1,000 | \$9,000 | \$250,000/Occurrence as part of overall limit |
| Medical Expenses | \$1,000 | \$9,000 | \$25,000/person/\$500,000 Annual Aggregate |
| AD&D | \$1,000 | \$9,000 | \$50,000/person/\$500,000 Annual Aggregate |

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

| Coverage | Member Deductible | PDRMA Self-Insured Retention | Limits |
|---|--------------------------|-------------------------------------|---|
| VOLUNTEER MEDICAL ACCIDENT | | | |
| Volunteer Medical Accident | None | \$5,000 | \$5,000 Medical Expense Excess of any other Collectible Insurance |
| UNDERGROUND STORAGE TANK LIABILITY | | | |
| Underground Storage Tank Liability | None | N/A | \$10,000, Follows Illinois Leaking Underground Tank Fund |
| UNEMPLOYMENT COMPENSATION | | | |
| Unemployment Compensation | N/A | N/A | Statutory |

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the District.

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

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

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

The following represents a summary of PDRMA’s Property/Casualty Program balance sheet at December 31, 2021 and the statement of revenues and expenses for the period ending December 31, 2021. The District’s portion of the overall equity of the pool is 0.224% or \$127,903.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

| | | |
|--|----|------------|
| Assets | \$ | 77,156,496 |
| Deferred Outflows of Resources - Pension | | 871,829 |
| Liabilities | | 19,465,811 |
| Deferred Inflows of Resources - Pension | | 1,466,716 |
| Total Net Position | | 57,095,798 |
| Operating Revenues | | 17,390,850 |
| Nonoperating Revenues | | 2,635,445 |
| Expenditures | | 19,688,616 |

Since 96.36% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

Park District Risk Management Agency (PDRMA) Health Program

Since February 1, 1990, the District has been a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$300,000. Until January 1, 2001 the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

Members can choose to provide any combination of coverages available to their employees, and pay premiums accordingly.

As a member of the PDRMA Health Program, the District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and PDRMA Health Program is governed by a contract and by-laws that have been adopted by a resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) Health Program - Continued

The following represents a summary of PDRMA's Health Program balance sheet at December 31, 2021 and the statement of revenues and expenses for the period ending December 31, 2021.

| | |
|--|---------------|
| Assets | \$ 30,099,639 |
| Deferred Outflows of Resources - Pension | 373,641 |
| Liabilities | 4,502,442 |
| Deferred Inflows of Resources - Pension | 628,592 |
| Total Net Position | 25,342,246 |
| Operating Revenues | 32,172,095 |
| Nonoperating Revenues | 58,241 |
| Expenditures | 31,205,267 |

A large percentage of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred.

CONTINGENT LIABILITIES

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURE

Northeast DuPage Special Recreation Association (NEDSRA)

The District is a member of the Northeast DuPage Special Recreation Association (NEDSRA), an association of eleven area park districts that provides recreation programs and other activities for handicapped and impaired individuals. Each member agency shares ratably in NEDSRA, and generally provides funding based on its equalized assessed valuation. The District contributed \$94,316 to NEDSRA during the current fiscal year.

The District does not have a direct financial interest in NEDSRA, and therefore its investment therein is not reported within the financial statements. Upon dissolution of NEDSRA, the assets, if any, shall be divided between the members, in accordance with an equitable formula, as determined by a unanimous vote of the NEDSRA's Board of Directors. Complete separate financial statements for NEDSRA can be obtained from NEDSRA's administrative offices at 1770 W. Centennial Place Addison, IL 60101.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | 17 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 27 |
| Active Plan Members | <u>14</u> |
| Total | <u><u>58</u></u> |

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% 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. For the year-ended April 30, 2022, the District's contribution was 19.88% of covered payroll.

Net Pension (Asset). The District's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Fair Value |
| Actuarial Assumptions | |
| Interest Rate | 7.25% |
| Salary Increases | 2.85% to 13.75% |
| Cost of Living Adjustments | 2.25% |
| Inflation | 2.25% |

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 28.00% | -0.85% |
| Domestic Equities | 37.00% | 2.85% |
| International Equities | 18.00% | 3.85% |
| Real Estate | 9.00% | 4.05% |
| Blended | 7.00% | 0.70% - 4.80% |
| Cash and Cash Equivalents | 1.00% | -1.45% |

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---------------------|------------------------|-------------------------------------|------------------------|
| Net Pension (Asset) | \$ (77,926) | (990,053) | (1,731,009) |

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension (Asset)

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension (Asset) (A) - (B) |
|---|--------------------------------------|---------------------------------------|-------------------------------------|
| Balances at December 31, 2020 | \$ 6,910,728 | 6,944,100 | (33,372) |
| Changes for the Year: | | | |
| Service Cost | 79,943 | — | 79,943 |
| Interest on the Total Pension Liability | 491,229 | — | 491,229 |
| Changes of Benefit Terms | — | — | — |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 27,376 | — | 27,376 |
| Changes of Assumptions | — | — | — |
| Contributions - Employer | — | 295,489 | (295,489) |
| Contributions - Employees | — | 37,785 | (37,785) |
| Net Investment Income | — | 1,223,916 | (1,223,916) |
| Benefit Payments, Including Refunds of Employee Contributions | (350,251) | (350,251) | — |
| Other (Net Transfer) | — | (1,961) | 1,961 |
| Net Changes | 248,297 | 1,204,978 | (956,681) |
| Balances at December 31, 2021 | 7,159,025 | 8,149,078 | (990,053) |

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2022, the District recognized pension revenue of \$33,096. At April 30, 2022, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|--|--------------------------------------|-------------------------------------|------------------|
| Difference Between Expected and Actual Experience | \$ 345,981 | — | 345,981 |
| Change in Assumptions | — | (32,772) | (32,772) |
| Net Difference Between Projected and Actual | | | |
| Earnings on Pension Plan Investments | — | (931,290) | (931,290) |
| Total Expenses to be Recognized in Future Periods | 345,981 | (964,062) | (618,081) |
| Pension Contributions Made Subsequent to the Measurement Date | 25,395 | — | 25,395 |
| Total Deferred Amounts Related to IMRF | <u>371,376</u> | <u>(964,062)</u> | <u>(592,686)</u> |

\$25,395 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Fiscal Year | Net Deferred Outflows of Resources |
|----------------|--|
| 2023 | \$ (26,060) |
| 2024 | (219,859) |
| 2025 | (227,931) |
| 2026 | (144,231) |
| 2027 | — |
| Thereafter | — |
| Total | <u>(618,081)</u> |

ITASCA PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2022

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The Library has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, there is minimal participation. As the Library provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. Therefore, the District has not recorded a liability as of April 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund
Recreation - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

ITASCA PARK DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|----------------|---|--|---|--------------------|--|
| 2016 | \$ 65,437 | \$ 192,421 | \$ 126,984 | \$ 749,569 | 25.67% |
| 2017 | 95,624 | 77,421 | (18,203) | 768,064 | 10.08% |
| 2018 | 82,399 | 182,399 | 100,000 | 831,475 | 21.94% |
| 2019 | 84,370 | 84,370 | — | 838,668 | 10.06% |
| 2020 | 62,305 | 62,305 | — | 932,719 | 6.68% |
| 2021 | 80,133 | 205,134 | 125,001 | 836,514 | 24.52% |
| 2022 | 82,070 | 170,104 | 88,034 | 855,565 | 19.88% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 22 Years |
| Asset Valuation Method | 5-Year Smoothed Fair Value |
| Inflation | 2.50% |
| Salary Increases | 3.35% - 14.25% |
| Investment Rate of Return | 7.25% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). |

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

ITASCA PARK DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2022

| | <u>12/31/2015</u> |
|--|-------------------------|
| Total Pension Liability | |
| Service Cost | \$ 75,652 |
| Interest | 340,892 |
| Differences Between Expected and Actual Experience and Actual Experience | 27,233 |
| Change of Assumptions | 6,678 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(218,818)</u> |
| Net Change in Total Pension Liability | 231,637 |
| Total Pension Liability - Beginning | <u>4,616,806</u> |
| Total Pension Liability - Ending | <u><u>4,848,443</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | 192,421 |
| Contributions - Members | 33,731 |
| Net Investment Income | 21,995 |
| Benefit Payments, Including Refunds of Member Contributions | (218,818) |
| Other (Net Transfer) | <u>781</u> |
| Net Change in Plan Fiduciary Net Position | 30,110 |
| Plan Net Position - Beginning | <u>4,395,323</u> |
| Plan Net Position - Ending | <u><u>4,425,433</u></u> |
| Employer's Net Pension Liability/(Asset) | <u><u>423,010</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 91.28% |
| Covered Payroll | 749,569 |
| Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll | 56.43% |

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2021. Changes in assumptions related to the demographics were made in 2017.

| 12/31/2016 | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 |
|------------|------------|------------|------------|------------|------------|
| 76,352 | 76,025 | 77,275 | 85,950 | 97,906 | 79,943 |
| 357,751 | 378,778 | 388,412 | 408,251 | 437,334 | 491,229 |
| 69,938 | 72,689 | 36,622 | 178,629 | 619,342 | 27,376 |
| (6,975) | (171,719) | 179,157 | — | (67,740) | — |
| (220,470) | (225,347) | (230,557) | (236,597) | (318,721) | (350,251) |
| 276,596 | 130,426 | 450,909 | 436,233 | 768,121 | 248,297 |
| 4,848,443 | 5,125,039 | 5,255,465 | 5,706,374 | 6,142,607 | 6,910,728 |
| 5,125,039 | 5,255,465 | 5,706,374 | 6,142,607 | 6,910,728 | 7,159,025 |
| 77,421 | 182,399 | 84,370 | 62,305 | 204,586 | 295,489 |
| 34,563 | 37,986 | 37,740 | 41,972 | 82,162 | 37,785 |
| 302,184 | 862,275 | (331,987) | 990,186 | 857,619 | 1,223,916 |
| (220,470) | (225,347) | (230,557) | (236,597) | (318,721) | (350,251) |
| 40,165 | (73,286) | 93,334 | 16,349 | 148,016 | (1,961) |
| 233,863 | 784,027 | (347,100) | 874,215 | 973,662 | 1,204,978 |
| 4,425,433 | 4,659,296 | 5,443,323 | 5,096,223 | 5,970,438 | 6,944,100 |
| 4,659,296 | 5,443,323 | 5,096,223 | 5,970,438 | 6,944,100 | 8,149,078 |
| 465,743 | (187,858) | 610,151 | 172,169 | (33,372) | (990,053) |
| 90.91% | 103.57% | 89.31% | 97.20% | 100.48% | 113.83% |
| 768,064 | 831,475 | 838,668 | 932,719 | 945,996 | 839,655 |
| 60.64% | (22.59%) | 72.75% | 18.46% | (3.53%) | (117.91%) |

ITASCA PARK DISTRICT, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|-----------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 691,790 | 691,790 | 687,953 |
| Intergovernmental | | | |
| Replacement Taxes | 22,000 | 22,000 | 73,452 |
| Grants | | | |
| FEMA COVID Grant | — | — | 5,618 |
| Interest | 5,000 | 5,000 | 5,028 |
| Miscellaneous | | | |
| Rental Income | 41,780 | 41,780 | 41,231 |
| Other | 19,600 | 19,600 | 57,622 |
| Total Revenues | <u>780,170</u> | <u>780,170</u> | <u>870,904</u> |
| Expenditures | | | |
| Culture and Recreation | | | |
| Salaries and Wages | 374,000 | 374,000 | 384,659 |
| Services and Utilities | 215,960 | 215,960 | 188,456 |
| Repairs and Maintenance | 100,400 | 100,400 | 93,013 |
| Program and Event | 5,500 | 5,500 | 7,557 |
| Supplies | 28,500 | 28,500 | 31,692 |
| Miscellaneous | 21,300 | 21,300 | 26,183 |
| Capital Outlay | | | |
| General Capital Expenditures | 29,500 | 29,500 | 32,234 |
| Total Expenditures | <u>775,160</u> | <u>775,160</u> | <u>763,794</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 5,010 | 5,010 | 107,110 |
| Other Financing (Uses) | | | |
| Transfers Out | <u>(60,000)</u> | <u>(60,000)</u> | <u>(60,000)</u> |
| Net Change In Fund Balance | <u>(54,990)</u> | <u>(54,990)</u> | 47,110 |
| Fund Balance - Beginning | | | <u>350,707</u> |
| Fund Balance - Ending | | | <u><u>397,817</u></u> |

ITASCA PARK DISTRICT, ILLINOIS

Recreation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|-------------------------------|------------------|-----------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 592,962 | 592,962 | 589,724 |
| Charges for Services | | | |
| Program and Event Fees | 768,569 | 768,569 | 699,803 |
| Fitness Center | 135,250 | 135,250 | 94,253 |
| Swimming Pool | 245,205 | 245,205 | 170,743 |
| Concessions | 48,000 | 48,000 | 8,356 |
| Rentals | 47,055 | 47,055 | 49,065 |
| Miscellaneous | | | |
| Village Sponsorship | 57,050 | 57,050 | 56,400 |
| Reimbursements | 23,000 | 23,000 | 5,016 |
| Other | 5,425 | 5,425 | 15,549 |
| Total Revenues | 1,922,516 | 1,922,516 | 1,688,909 |
| Expenditures | | | |
| Culture and Recreation | | | |
| Salaries and Wages | 986,759 | 986,759 | 849,690 |
| Services and Utilities | 306,344 | 306,344 | 209,963 |
| Repairs and Maintenance | 22,000 | 22,000 | 15,055 |
| Program and Event Costs | 175,047 | 175,047 | 146,662 |
| Supplies | 141,498 | 141,498 | 81,081 |
| Miscellaneous | 27,800 | 27,800 | 122,380 |
| Capital Outlay | | | |
| Grant - Water Park Bath House | 107,700 | 107,700 | 215,904 |
| Other General Expenditures | 239,000 | 239,000 | — |
| Total Expenditures | 2,006,148 | 2,006,148 | 1,640,735 |
| Net Change in Fund Balance | (83,632) | (83,632) | 48,174 |
| Fund Balance - Beginning | | | 897,118 |
| Fund Balance - Ending | | | 945,292 |

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all revenues and expenditures of the District which are not accounted for in other funds.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Recreation Fund

The Recreation Fund is used to account for the operations of the recreation programs offered to residents. Financing is provided by a specific annual property tax levy to the extent user charges are not sufficient to provide such financing.

Special Recreation Fund

The Special Recreation Fund is used to account for the revenue and expenditures of the special recreation program of the District. An annual tax levy is used to finance the fund.

Museum Fund

The Museum Fund is used to account for the revenue and expenditures of the museum. An annual tax levy in conjunction with program revenue is used to finance the fund.

Social Security Fund

The Social Security fund is used to account for expenditures related to the District's employer social security costs. Financing is provided by a specific annual tax levy.

Audit Fund

The Audit Fund is used to account for the expenditures related to the District's annual audit. Financing is provided by a specific annual tax levy.

Insurance Fund

The Insurance Fund is used to account for the operations of the District's insurance and risk management activities. Financing is provided by a specific annual levy.

INDIVIDUAL FUND DESCRIPTIONS - Continued

SPECIAL REVENUE FUNDS - Continued

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund (IMRF) Fund is used to account for the District's participation in the Illinois Municipal Retirement Fund. Financing is provided by a specific annual property tax levy.

DEBT SERVICE FUND

Bond and Interest Fund

The Bond and Interest Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital assets.

Capital Improvement Fund

The Capital Improvement Fund is used to account for funds restricted, committed, or assigned to the acquisition, construction and improvement of governmental general capital assets (not being financed by proprietary funds). Activities are financed by utility taxes, grants, rent on District properties, and developer contributions.

Paving and Lighting Fund

The Paving and Lighting Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies for paving and lighting improvements throughout the Park District.

ITASCA PARK DISTRICT, ILLINOIS

Bond and Interest - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|----------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 886,036 | 886,036 | 881,122 |
| Expenditures | | | |
| Debt Service | | | |
| Principal Retirement | 936,579 | 936,579 | 984,416 |
| Interest and Fiscal Charges | 9,281 | 9,281 | 503,050 |
| Total Expenditures | 945,860 | 945,860 | 1,487,466 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (59,824) | (59,824) | (606,344) |
| Other Financing Sources | | | |
| Debt Issuance | — | — | 550,084 |
| Transfers In | 59,824 | 59,824 | 60,000 |
| | 59,824 | 59,824 | 610,084 |
| Net Change in Fund Balance | — | — | 3,740 |
| Fund Balance - Beginning | | | (2,710) |
| Fund Balance - Ending | | | 1,030 |

ITASCA PARK DISTRICT, ILLINOIS

Capital Improvement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|--|------------------|------------------|-------------------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Grants | | | |
| Water Park Grant | \$ 200,000 | 200,000 | 200,000 |
| Springbrook Nature Center | 335,000 | 335,000 | 335,000 |
| Donations | — | — | 1,000 |
| Interest | — | — | 1,833 |
| Miscellaneous | — | — | 292,700 |
| Total Revenues | 535,000 | 535,000 | 830,533 |
| Expenditures | | | |
| Capital Outlay | | | |
| Grant - Water Park Bath House | 1,332,857 | 1,332,857 | 855,344 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (797,857) | (797,857) | (24,811) |
| Other Financing Sources | | | |
| Debt Issuance | — | — | 19,916 |
| Net Change in Fund Balance | <u>(797,857)</u> | <u>(797,857)</u> | (4,895) |
| Fund Balance - Beginning | | | <u>1,208,632</u> |
| Fund Balance - Ending | | | <u><u>1,203,737</u></u> |

ITASCA PARK DISTRICT, ILLINOIS

**Nonmajor Governmental
Combining Balance Sheet
April 30, 2022**

See Following Page

ITASCA PARK DISTRICT, ILLINOIS

**Nonmajor Governmental
Combining Balance Sheet
April 30, 2022**

| | Special | | |
|--|-----------------------|---------|--------------------|
| | Special Recreation | Museum | Social Security |
| ASSETS | | | |
| Cash and Investments | \$ 13,563 | 109,031 | 45,775 |
| Receivables - Net of Allowances | | | |
| Property Taxes | 230,737 | — | 98,063 |
| Total Assets | 244,300 | 109,031 | 143,838 |
| LIABILITIES | | | |
| Accrued Payable | — | — | 3,540 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes | 230,737 | — | 98,063 |
| Total Liabilities and Deferred Inflow of Resources | 230,737 | — | 101,603 |
| FUND BALANCES | | | |
| Restricted | 13,563 | 109,031 | 42,235 |
| Committed | — | — | — |
| Total Fund Balances | 13,563 | 109,031 | 42,235 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | 244,300 | 109,031 | 143,838 |

| <u>Revenue</u> | | | | |
|----------------|------------------|---|---|---------------|
| <u>Audit</u> | <u>Insurance</u> | <u>Illinois Municipal Retirement Fund</u> | <u>Capital Projects Paving and Lighting</u> | <u>Totals</u> |
| 2,075 | 33,071 | 25,017 | 623 | 229,155 |
| 11,537 | 49,032 | 131,520 | 28,842 | 549,731 |
| 13,612 | 82,103 | 156,537 | 29,465 | 778,886 |
| — | — | — | — | 3,540 |
| 11,537 | 49,032 | 131,520 | 28,842 | 549,731 |
| 11,537 | 49,032 | 131,520 | 28,842 | 553,271 |
| 2,075 | 33,071 | 25,017 | — | 224,992 |
| — | — | — | 623 | 623 |
| 2,075 | 33,071 | 25,017 | 623 | 225,615 |
| 13,612 | 82,103 | 156,537 | 29,465 | 778,886 |

ITASCA PARK DISTRICT, ILLINOIS

Nonmajor Governmental

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended April 30, 2022

| | Special | | |
|-------------------------------|-----------------------|-----------------------|----------------------|
| | Special Recreation | Museum | Social Security |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 225,929 | — | 87,547 |
| Charges for Services | — | 225 | — |
| Miscellaneous | | | |
| Village Sponsorship | — | 15,000 | — |
| Reimbursements | — | — | — |
| Total Revenues | <u>225,929</u> | <u>15,225</u> | <u>87,547</u> |
| Expenditures | | | |
| Current | | | |
| Culture and Recreation | 116,535 | 5,613 | 94,371 |
| Capital Outlay | | | |
| Grant - Water Park Bath House | 90,434 | — | — |
| Total Expenditures | <u>206,969</u> | <u>5,613</u> | <u>94,371</u> |
| Net Change in Fund Balances | 18,960 | 9,612 | (6,824) |
| Fund Balances - Beginning | <u>(5,397)</u> | <u>99,419</u> | <u>49,059</u> |
| Fund Balances - Ending | <u><u>13,563</u></u> | <u><u>109,031</u></u> | <u><u>42,235</u></u> |

| Revenue | | | | |
|---------|-----------|---|---|---------|
| Audit | Insurance | Illinois Municipal Retirement Fund | Capital Projects Paving and Lighting | Totals |
| 14,121 | 66,084 | 180,743 | 28,241 | 602,665 |
| — | — | — | — | 225 |
| — | — | — | — | 15,000 |
| — | 3,905 | — | — | 3,905 |
| 14,121 | 69,989 | 180,743 | 28,241 | 621,795 |
| 12,600 | 45,952 | 170,105 | — | 445,176 |
| — | — | — | 30,000 | 120,434 |
| 12,600 | 45,952 | 170,105 | 30,000 | 565,610 |
| 1,521 | 24,037 | 10,638 | (1,759) | 56,185 |
| 554 | 9,034 | 14,379 | 2,382 | 169,430 |
| 2,075 | 33,071 | 25,017 | 623 | 225,615 |

ITASCA PARK DISTRICT, ILLINOIS

Special Recreation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|-------------------------------|------------------|---------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 227,189 | 227,189 | 225,929 |
| Expenditures | | | |
| Culture and Recreation | | | |
| Services and Utilities | 126,315 | 126,315 | 105,649 |
| Miscellaneous | — | — | 10,886 |
| Capital Outlay | | | |
| Grant - Water Park Bath House | 100,000 | 100,000 | 90,434 |
| Total Expenditures | 226,315 | 226,315 | 206,969 |
| Net Change in Fund Balance | 874 | 874 | 18,960 |
| Fund Balance - Beginning | | | (5,397) |
| Fund Balance - Ending | | | 13,563 |

ITASCA PARK DISTRICT, ILLINOIS

Museum - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|-----------------|-----------------------|
| | Original | Final | |
| Revenues | | | |
| Intergovernmental | | | |
| Donations | \$ 50 | 50 | — |
| Charges for Services | | | |
| Program and Events | — | — | 225 |
| Miscellaneous | | | |
| Village Sponsorship | 15,000 | 15,000 | 15,000 |
| Total Revenues | <u>15,050</u> | <u>15,050</u> | <u>15,225</u> |
| Expenditures | | | |
| Culture and Recreation | | | |
| Salaries and Wages | 25,072 | 25,072 | — |
| Services and Utilities | 7,500 | 7,500 | 5,147 |
| Repairs and Maintenance | 8,000 | 8,000 | 466 |
| Supplies | 295 | 295 | — |
| Miscellaneous | 2,000 | 2,000 | — |
| Total Expenditures | <u>42,867</u> | <u>42,867</u> | <u>5,613</u> |
| Net Change in Fund Balance | <u>(27,817)</u> | <u>(27,817)</u> | 9,612 |
| Fund Balance - Beginning | | | <u>99,419</u> |
| Fund Balance - Ending | | | <u><u>109,031</u></u> |

ITASCA PARK DISTRICT, ILLINOIS

Social Security - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|-----------------|----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 88,036 | 88,036 | 87,547 |
| Expenditures | | | |
| Culture and Recreation | | | |
| Contractual Services | 115,000 | 115,000 | 94,371 |
| Net Change in Fund Balance | <u>(26,964)</u> | <u>(26,964)</u> | (6,824) |
| Fund Balance - Beginning | | | <u>49,059</u> |
| Fund Balance - Ending | | | <u><u>42,235</u></u> |

ITASCA PARK DISTRICT, ILLINOIS

Audit - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|----------------|---------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 14,199 | 14,199 | 14,121 |
| Expenditures | | | |
| Culture and Recreation | | | |
| Services | 20,000 | 20,000 | 12,600 |
| Net Change in Fund Balance | <u>(5,801)</u> | <u>(5,801)</u> | 1,521 |
| Fund Balance - Beginning | | | <u>554</u> |
| Fund Balance - Ending | | | <u><u>2,075</u></u> |

ITASCA PARK DISTRICT, ILLINOIS

Insurance - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|----------------|----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 66,453 | 66,453 | 66,084 |
| Miscellaneous | | | |
| Reimbursements | 3,000 | 3,000 | 3,905 |
| Total Revenues | <u>69,453</u> | <u>69,453</u> | <u>69,989</u> |
| Expenditures | | | |
| Culture and Recreation | | | |
| Services | 11,000 | 11,000 | 7,468 |
| Insurance Premiums | 52,000 | 52,000 | 36,266 |
| Supplies | 10,000 | 10,000 | 2,218 |
| Total Expenditures | <u>73,000</u> | <u>73,000</u> | <u>45,952</u> |
| Net Change in Fund Balance | <u>(3,547)</u> | <u>(3,547)</u> | 24,037 |
| Fund Balance - Beginning | | | <u>9,034</u> |
| Fund Balance - Ending | | | <u><u>33,071</u></u> |

ITASCA PARK DISTRICT, ILLINOIS

**Illinois Municipal Retirement Fund - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2022**

| | Budgeted Amounts | | Actual Amounts |
|----------------------------|------------------|--------------|----------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 181,751 | 181,751 | 180,743 |
| Expenditures | | | |
| Culture and Recreation | | | |
| Services and Utilities | 180,000 | 180,000 | 170,105 |
| Net Change in Fund Balance | <u>1,751</u> | <u>1,751</u> | 10,638 |
| Fund Balance - Beginning | | | <u>14,379</u> |
| Fund Balance - Ending | | | <u><u>25,017</u></u> |

ITASCA PARK DISTRICT, ILLINOIS

Paving and Lighting - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended April 30, 2022

| | Budgeted Amounts | | Actual Amounts |
|-------------------------------|------------------|----------------|-------------------|
| | Original | Final | |
| Revenues | | | |
| Taxes | | | |
| Property Taxes | \$ 28,399 | 28,399 | 28,241 |
| Expenditures | | | |
| Capital Outlay | | | |
| Grant - Water Park Bath House | 33,000 | 33,000 | 30,000 |
| Net Change in Fund Balance | <u>(4,601)</u> | <u>(4,601)</u> | (1,759) |
| Fund Balance - Beginning | | | <u>2,382</u> |
| Fund Balance - Ending | | | <u><u>623</u></u> |

SUPPLEMENTAL SCHEDULES

ITASCA PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Park Bonds of 2019A

April 30, 2022

| | |
|-------------------------|-------------------------|
| Date of Issue | March 1, 2019 |
| Date of Maturity | January 1, 2028 |
| Authorized Issue | \$2,000,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 2.42% - 2.99% |
| Interest Dates | January 1 and July 1 |
| Principal Maturity Date | January 1 |
| Payable at | Itasca Bank & Trust Co. |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|------------------|----------------|------------------|-----------------|----------------|--------|----------------|
| | Principal | Interest | Totals | Jan. 1 | Amount | Jul. 1 | Amount |
| 2023 | \$ 170,000 | 53,118 | 223,118 | 2023 | 26,559 | 2022 | 26,559 |
| 2024 | 175,000 | 49,004 | 224,004 | 2024 | 24,502 | 2023 | 24,502 |
| 2025 | 450,000 | 44,734 | 494,734 | 2025 | 22,367 | 2024 | 22,367 |
| 2026 | 470,000 | 33,304 | 503,304 | 2026 | 16,652 | 2025 | 16,652 |
| 2027 | 490,000 | 20,850 | 510,850 | 2027 | 10,425 | 2026 | 10,425 |
| 2028 | 245,000 | 7,326 | 252,326 | 2028 | 3,663 | 2027 | 3,663 |
| | <u>2,000,000</u> | <u>208,336</u> | <u>2,208,336</u> | | <u>104,168</u> | | <u>104,168</u> |

ITASCA PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Park Bonds of 2021

April 30, 2022

| | |
|-------------------------|-------------------------|
| Date of Issue | December 15, 2021 |
| Date of Maturity | December 30, 2023 |
| Authorized Issue | \$570,000 |
| Interest Rates | 0.60% - 0.80% |
| Interest Dates | June 30 and December 30 |
| Principal Maturity Date | December 30 |
| Payable at | Itasca Bank and Trust |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Requirements | | | Interest Due on | | | |
|----------------|----------------|--------------|----------------|-----------------|--------------|---------|--------------|
| | Principal | Interest | Totals | Jun. 30 | Amount | Dec. 30 | Amount |
| 2023 | \$ 272,000 | 4,183 | 276,183 | 2023 | 2,175 | 2023 | 2,008 |
| 2024 | 298,000 | 2,384 | 300,384 | 2024 | 1,192 | 2024 | 1,192 |
| | <u>570,000</u> | <u>6,567</u> | <u>576,567</u> | | <u>3,367</u> | | <u>3,200</u> |

ITASCA PARK DISTRICT, ILLINOIS

**Schedule of Tax Extension, Tax Rates, and Assessed Valuations - Last Four Tax Levy Years
April 30, 2022**

| | 2018 | 2019 | 2020 | 2021 |
|------------------------------------|----------------|-------------|-------------|-------------|
| Assessed Valuations | \$ 524,709,446 | 540,809,087 | 567,971,735 | 594,682,621 |
| Tax Rates | | | | |
| Corporate | 0.1300 | 0.1222 | 0.1218 | 0.1310 |
| Recreation | 0.1098 | 0.1022 | 0.1044 | 0.1065 |
| Bond and Interest | 0.1718 | 0.1726 | 0.1560 | 0.0849 |
| Audit | 0.0026 | 0.0024 | 0.0025 | 0.0020 |
| Tort Judgement/Liability Insurance | 0.0100 | 0.0090 | 0.0117 | 0.0085 |
| Recreation for the Handicapped | 0.0400 | 0.0400 | 0.0400 | 0.0400 |
| IMRF | 0.0260 | 0.0368 | 0.0320 | 0.0228 |
| Social Security | 0.0181 | 0.0212 | 0.0155 | 0.0170 |
| Museum | — | — | — | — |
| Paving and Lighting | 0.0050 | 0.0049 | 0.0050 | 0.0050 |
| Total Tax Rates | 0.5133 | 0.5113 | 0.4889 | 0.4177 |
| Tax Extensions | | | | |
| Corporate | \$ 682,122 | 660,869 | 691,790 | 763,572 |
| Recreation | 576,131 | 552,707 | 592,962 | 633,337 |
| Bond and Interest | 901,451 | 933,436 | 886,036 | 504,886 |
| Audit | 13,642 | 12,979 | 14,199 | 11,894 |
| Tort Judgement/Liability Insurance | 52,471 | 48,673 | 66,453 | 50,548 |
| Recreation for the Handicapped | 209,884 | 216,324 | 227,189 | 237,873 |
| IMRF | 136,424 | 199,018 | 181,751 | 135,588 |
| Social Security | 94,972 | 114,652 | 88,036 | 101,096 |
| Museum | — | — | — | — |
| Paving and Lighting | 26,235 | 26,500 | 28,398 | 29,734 |
| Total Tax Extensions | 2,693,332 | 2,765,158 | 2,776,814 | 2,468,528 |