

BELVIDERE PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

BELVIDERE PARK DISTRICT, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Belvidere Park District, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Belvidere Park District, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

The prior year comparative information has been derived from the District's 2018 financial statements and in our report dated June 6, 2019, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Belvidere Park District, Illinois, as of December 31, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the Illinois Municipal Retirement Fund (IMRF) schedules, budgetary comparison information, and notes on pages 40 through 46 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Belvidere Park District, Illinois' basic financial statements. The supplementary financial information on pages 47 through 50 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The supplementary financial information on pages 51 through 53 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Lucas Group CPAs + Advisors, LLC

Freeport, Illinois
August 26, 2020

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019
(Unaudited)

This section of the Belvidere Park District's Annual Financial Report presents our discussion and analysis of the District's financial activities during the year ended December 31, 2019.

FINANCIAL HIGHLIGHTS

-Net position and performance in total – The District's total net position at December 31, 2019 was \$14,758,892.

-Governmental activity summary – Net position for governmental activities increased by \$1,319,824 during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements, which present different views of the District: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

Government-wide financial statements provide both short and long-term information about the District's overall financial status.

Fund financial statements focus on individual parts of the District government, reporting District operation in more detail than the government-wide financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by the required supplementary information section that further explains and supports the information in the financial statements.

In addition to all of the required financial statement elements, the District has provided sections for combining statements to provide detail on non-major funds and additional supplementary information.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2019
(Unaudited)

The following table summarizes the major features of the District's financial statements.

Description	GOVERNMENT- WIDE STATEMENTS	FUND STATEMENTS	
		Governmental Funds	Fiduciary Funds
Scope	Entire District government (except fiduciary funds)	Activities of the District that are not fiduciary such as culture and recreation	Activities in which the District is trustee or agent of another's resources such as pension plans
Required financial statements	-Statement of net position -Statement of activities	-Balance sheet -Statement of revenues, expenditures and changes in fund balances	-Statement of fiduciary net position
Accounting basis	Accrual	Modified accrual	Accrual
Measurement focus	Economic resources	Current financial resources	Economic resources
Type of assets & liability information	All assets and liabilities; both financial and capital, short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets	All assets and liabilities; both short and long-term. Does not currently contain capital assets
Type of inflow & outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods and services that have been received and payment is due during the year or shortly thereafter	All revenues and expenses during the year regardless of when cash is received or paid

Government-Wide Statements

The government-wide financial statements are designed to be corporate-like in that all governmental activities are consolidated into columns, which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to disclose bottom line results for the District and its governmental activities.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2019
(Unaudited)

This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities, which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services.

The governmental activities reflect the District's basic services, including administration, financial services, culture and recreation. Property taxes and charges/fees finance the majority of these services.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds, rather than fund types.

Governmental funds are presented on a sources and uses of liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for District operations.

Fiduciary Funds are presented for certain activities when the District's role is that of trustee or agent (i.e. Riverfront Committee). While Fiduciary Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements. The remaining funds were distributed in 2019, so the fiduciary fund is no longer presented as of December 31, 2019.

The Governmental Funds column requires reconciliation because of the different measurement focus (current financial resources/modified accrual versus total economic resources/full accrual), which is reflected on the page following each statement. The flow of current financial resources will reflect debt proceeds, proceeds from sales of capital asset disposals, and interfund transfers as other financial sources as well as capital outlay expenditures and debt principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column in the Government-Wide Statements.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 December 31, 2019
 (Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE NET POSITION

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

Table 1
Statement of Net Position
As of December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	Governmental Activities	
	2019	2018
Current and other assets	\$ 9,234,384	8,896,270
Capital assets	17,760,398	18,198,097
Total assets	26,994,782	27,094,367
Deferred outflows of Resources		
Pension items - IMRF	504,963	779,124
Total assets and deferred outflows of resources	27,499,745	27,873,491
Current and other liabilities	347,868	362,103
Long-term liabilities	8,010,916	9,033,891
Total liabilities	8,358,784	9,395,994
Deferred inflows of resources		
Property taxes	3,730,000	4,749,212
Pension items - IMRF	652,069	289,217
Total liabilities and deferred inflows of resources	12,740,853	14,434,423
Net position:		
Net investment in capital assets	10,070,398	10,079,210
Restricted	2,685,450	2,322,278
Unrestricted	2,003,044	1,037,580
Total net position	\$ 14,758,892	13,439,068

For more detailed information see the Statement of Net Position.

Current Year Impacts-Net Position

Overall, the District's net position increased by \$1,319,824 during the year to a total of \$14,758,892. Also, current assets are \$5,156,516 higher than current liabilities and deferred inflows of resources for property taxes.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 December 31, 2019
 (Unaudited)

Capital assets net of depreciation decreased by \$437,699. Long-term debt decreased by \$1,022,975 due to a decrease in the net pension liability and payments on the general obligation park bonds, alternate revenue bonds, and deed agreement.

The total net position at December 31, 2019 was \$14,758,892. Approximately 68% of this amount is the investment in capital assets, net of the related debt. \$2,685,450 or approximately 18% is restricted for debt service and special revenue funds, which leaves approximately 14% or \$2,003,044 available for any purpose.

Statement of Changes in Net Position

The following chart reflects the condensed Statement of Changes in Net Position.

Table 2
Changes in Net Position
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	Governmental Activities	
	2019	2018
REVENUES		
Program revenues:		
Charges for services	\$ 1,026,996	1,070,208
Capital grants and contributions	64,681	244,539
Operating grants and contributions	8,766	20,098
General revenues:		
Property taxes	4,741,805	2,428,810
Other taxes	114,053	88,279
Interest	11,261	12,661
Other	25,571	135,611
Total revenues	5,993,133	4,000,206
EXPENSES		
Culture & recreation:		
Personnel	2,375,441	2,418,981
Contractual services	688,925	719,391
Material & supplies	489,507	520,278
Loss on disposal of capital assets	39,682	3,039
Depreciation	876,046	920,879
Interest on long-term debt	203,708	200,104
Total expenses	4,673,309	4,782,672
Changes in net position	1,319,824	(782,466)
Beginning net position	13,439,068	14,221,534
Ending net position	\$ 14,758,892	13,439,068

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2019
(Unaudited)

Current Year Impacts-Changes in Net Position

Governmental Activities

Revenues:

Revenues from governmental activities total \$5,993,133 or an increase of \$1,992,927. Property tax was the largest source of revenues for the year at \$4,741,805. The next highest source of revenue was \$1,026,996 from charges and fees. The revenues from these two sources represent approximately 96% of the governmental activity revenues.

Expenses:

The District's total governmental activity expenses were \$4,673,309, a decrease of \$109,363 or approximately 2%. Personnel costs including employee benefits were \$2,375,441. Personnel costs were 51% of the total expenses. Contractual services were \$688,925 or 15%, material and supplies were \$489,507 or 10%, and interest was \$203,708 or approximately 4% of the total expenses. Depreciation expense was \$876,046 or 19% of total expenses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At December 31, 2019, the governmental funds reported a combined net fund balance of \$5,342,620, an increase of \$1,349,565 in all major and non-major funds from the prior year. This increase is primarily attributable to an increase in property tax revenue in the Bond & Interest Fund.

Major Fund Budgetary Highlights

General Fund	Original & Final Budget	Actual	% of Total
Revenues			
Taxes	\$ 1,285,745	1,283,825	89
Intergovernmental	80,384	114,053	8
Donations	8,000	14,264	1
Interest & other	66,075	25,975	2
Total revenues	1,440,204	1,438,117	100
Expenditures			
Personnel	867,151	780,458	58
Contractual services	442,070	385,820	29
Material & supplies	211,925	149,632	11
Capital outlay	40,550	26,492	2
Total expenditures	1,561,696	1,342,402	100
Change in fund balance	(121,492)	95,715	

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2019
(Unaudited)

Recreation Fund	Original & Final Budget	Actual	% of Total
Revenues			
Taxes	\$ 890,000	888,624	52
Charges & fees	945,500	831,562	48
Donations	2,500	-	0
Interest & other	13,000	4,473	0
Total revenues	1,851,000	1,724,659	100
Expenditures			
Personnel	1,338,366	1,179,821	74
Contractual services	327,009	258,070	16
Material & supplies	213,720	146,266	9
Capital outlay	9,000	4,191	0
Total expenditures	1,888,095	1,588,348	100
Change in fund balance	\$ (37,095)	136,311	

Special Recreation Fund	Original & Final Budget	Actual	% of Total
Revenues			
Taxes	\$ 245,267	244,668	55
Charges & fees	201,800	192,521	43
Interest & other	14,700	6,081	1
Total revenues	461,767	443,270	100
Expenditures			
Personnel	361,487	372,071	77
Contractual services	32,400	26,427	5
Material & supplies	96,750	81,852	17
Capital outlay	10,000	284	0
Total expenditures	500,637	480,634	100
Change in fund balance	\$ (38,870)	(37,364)	

Bond & Interest Fund	Final Budget	Actual	Total
Revenues			
Taxes	\$ 2,232,200	2,239,791	100
Interest & other	100	222	0
Total revenues	2,232,300	2,240,013	100
Expenditures			
Debt service:			
Principal	1,090,000	1,090,000	97
Interest	22,000	28,885	3
Total expenditures	1,112,000	1,118,885	100
Change in fund balance	\$ 1,120,300	1,121,128	

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2019
(Unaudited)

Alternate Bond & Interest Fund	Original & Final Budget	Actual	% of Total
Revenues			
Interest & other	\$ 400	2,139	100
Total revenues	400	2,139	100
Expenditures			
Debt service:			
Principal	438,888	438,887	69
Interest	196,819	196,819	31
Total expenditures	635,707	635,706	100
Excess of Revenue over (under) expenditures	(635,307)	(633,567)	
Other financing sources (uses)			
GO Bond proceeds	640,000	640,000	
Total other financing sources (uses)	640,000	640,000	
Change in fund balance	\$ 4,693	6,433	

Capital Projects Fund	Original & Final Budget	Actual	% of Total
Revenues			
Donations & grants	\$ 20,000	50,697	90
Interest & other	30,300	5,638	10
Total revenues	50,300	56,335	100
Expenditures			
Contractual services	5,000	1,150	0
Capital outlay	873,700	545,577	100
Total expenditures	878,700	546,727	100
Excess of Revenue over (under) expenditures	(828,400)	(490,392)	
Other financing sources (uses)			
GO Bond proceeds	475,000	460,000	
Total other financing sources (uses)	475,000	460,000	
Change in fund balance	\$ (353,400)	(30,392)	

CAPITAL ASSET AND DEBT ADMINISTRATION
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Capital Assets

At December 31, 2019, the District's Governmental Funds had invested \$33,776,796 in a variety of capital assets, as reflected in the following schedule. See Notes to Financial Statements #4 for more detail. The District's roads and bridges are contained within the parks and as such have been recorded as land improvements rather than infrastructure assets.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2019
(Unaudited)

Table 3
Governmental Funds
Change in Net Capital Assets

	Beginning Balance	Net Additions /Deletions	Total
Non-depreciable assets			
Land	\$ 4,553,403	87,246	4,640,649
	<u>4,553,403</u>	<u>87,246</u>	<u>4,640,649</u>
Depreciable capital assets			
Land improvements	16,936,971	210,973	17,147,944
Building & building improvements	10,585,307	-	10,585,307
Equipment, software, & vehicles	<u>1,272,110</u>	<u>130,786</u>	<u>1,402,896</u>
Total capital assets being depreciated	<u>28,794,388</u>	<u>341,759</u>	<u>29,136,147</u>
Accumulated depreciation on capital assets	(15,149,694)	(866,704)	(16,016,398)
Total net capital assets	\$ 18,198,097	(437,699)	17,760,398

Long-term Debt

At December 31, 2019, the District owed \$8,010,916 in long-term debt. This debt consisted of \$5,590,000 in general obligation alternate revenue bonds, \$2,100,000 in general obligation bonds, \$27,260 in compensated absences, and \$293,656 for net pension liability. During the year ended December 31, 2019, the District issued \$1,173,832 in new debt and retired \$2,196,807 on the outstanding debt. Overall, long-term debt decreased by \$1,022,975. See Notes to Financial Statement #5 for more details.

The aggregate indebtedness of the District is subject to a statutory limitation established by the State of Illinois at 2.875% of its equalized assessed value. At December 31, 2019, the District's aggregate indebtedness was \$11,022,586 less than the statutory limit of \$17,613,619. Also, the State statutes allow the District to issue general obligation bonds without submitting the proposition of the issue in a referendum. This limit is 0.575% of the equalized assessed value. At December 31, 2019, the District's general obligation debt was \$2,521,691 below this limit.

ECONOMIC FACTORS

The Belvidere Park District will realize an increase of 4.69% in the Equalized Assessed Value due to increased sale prices of existing homes, fewer foreclosures and new home construction. The Belvidere Park District's Equalized Assessed Value has now experienced its fourth increase since 2009. The District's property tax revenue is limited by tax caps, which limits the growth rate to 5% or the rate of inflation, whichever is less, plus the tax on assessed value of new property. The rate of inflation for 2020 was 0.023%, which is .004% more of an increase from 2019. Based on Public Act 94-976, the District will be able to levy and collect additional tax money on all capped funds.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2019
(Unaudited)

The Bond and Interest Fund's debt service extension base can increase by the consumer price index per Public Act 96-501, so the District will collect a total of \$1,147,365 for 2019 based on the 2018 CPI of .019.

The District will receive more money from the City of Belvidere and the County of Boone Land/Cash fees as a result of several new homes being constructed in 2019 versus previous years. This is anticipated to be about an additional \$55,000 available for capital improvements in the coming year.

The District is anticipating an increase in the cost of labor as a result of annual pay increases, the level of participation in special recreation, and new recreation program offerings, as well as additional lands and increased standards in park use and management. One new full time position was created in 2019 in the Parks Department to replace a full time position in the Recreation Department. The Illinois State Legislature passed a bill with a graduated increase of the State Minimum Wage to \$15.00 per hour by 2025. The outcome of this bill will have major financial impact on the District in the future. Covid-19 and its impact to the District are still unknown, but it is clear that it has the potential to have a potent negative effect on service levels as well as District finances.

The Recreation Fund has continued to see an increase in the fund balances largely based on the success of tighter financial restraint as well as very positive enrollment numbers in the Third Base after school program. While seeing a decrease in the General Fund, it may be considered to start appropriating more tax revenue in the General Fund and less in the Recreation Fund. This approach may become more important with the impacts of the Covid-19 pandemic.

The Special Recreation Fund is limited under tax caps to a tax levy of .04%. This Fund's tax collection will be increased by \$11,495 in 2020 because of the increase in the Equalized Assessed Value. The participation and service offerings have been far less than anticipated based on Covid-19 pandemic, and there appears to be very little relief in sight. Focus will shift to modification of services and more updates to facilities for ADA compliance with available funds.

The William Grady Pool is a large financial uncertainty for the future. It is showing signs of failure, and the District has decided to manage it as best as possible without any major capital expenditures for the next few years. It is expected to have a great impact on our financial futures though we are uncertain what that looks like. The pool did not open in 2020 due to the Covid-19 pandemic.

Through the last few years of financial uncertainty with the tax collection for debt services, we are anticipating spending nearly twice as much in annual capital projects than we are normally in position to do so. This approach will spend down some of the reserves in Fund 21.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Mark Pentecost, Executive Director, Belvidere Park District, 1006 W. Lincoln Ave., Belvidere, IL 61008.

BELVIDERE PARK DISTRICT, ILLINOIS
Statement of Net Position
December 31, 2019
With Comparative Totals for December 31, 2018

	Governmental Activities	
	2019	2018
Assets:		
Cash and cash equivalents	\$ 5,488,465	4,136,363
Taxes receivable	3,730,000	4,749,212
Due from other governments	15,919	10,695
Capital assets:		
Non-depreciable	4,640,649	4,553,403
Depreciable, net of accumulated depreciation	13,119,749	13,644,694
Total assets	26,994,782	27,094,367
Deferred Outflows of Resources:		
Pension items - IMRF	504,963	779,124
Total assets and deferred outflows of resources	27,499,745	27,873,491
Liabilities:		
Accounts payable	83,370	79,836
Other payables	8,004	6,841
Accrued wages	66,586	62,447
Unearned revenue	3,804	4,879
Accrued interest payable	77,823	84,133
Unamortized bond premium	108,281	123,967
Noncurrent liabilities:		
Due within one year	2,477,260	1,546,979
Due in more than one year	5,533,656	7,486,912
Total liabilities	8,358,784	9,395,994
Deferred Inflows of Resources:		
Property taxes	3,730,000	4,749,212
Pension items - IMRF	652,069	289,217
Total liabilities and deferred inflows of resources	12,740,853	14,434,423
Net Position:		
Net investment in capital assets	10,070,398	10,079,210
Restricted for:		
Debt service	1,098,967	912,120
Special revenue funds	1,586,483	1,410,158
Unrestricted	2,003,044	1,037,580
Total net position	\$ 14,758,892	13,439,068

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

BELVIDERE PARK DISTRICT, ILLINOIS
Statement of Activities
For the Year Ended December 31, 2019
With Comparative Totals for Year Ended December 31, 2018

	Governmental Activities	
	2019	2018
Program expenses:		
Culture & recreation:		
Personnel	\$ 2,375,441	2,418,981
Contractual services	688,925	719,391
Material & supplies	489,507	520,278
Loss on disposal of capital assets	39,682	3,039
Depreciation	876,046	920,879
Total culture & recreation	4,469,601	4,582,568
Interest on long-term debt	203,708	200,104
Total program expenses	4,673,309	4,782,672
Program revenues:		
Charges for services	1,026,996	1,070,208
Capital grants and contributions	64,681	244,539
Operating grants and contributions	8,766	20,098
Total program revenues	1,100,443	1,334,845
Net program expense	3,572,866	3,447,827
General revenues:		
Property taxes	4,741,805	2,428,810
Corporate replacement taxes	114,053	88,279
Interest	11,261	12,661
Other	25,571	135,611
Total general revenues	4,892,690	2,665,361
Change in net position	1,319,824	(782,466)
Net position:		
Beginning	13,439,068	14,221,534
Ending	\$ 14,758,892	13,439,068

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

BELVIDERE PARK DISTRICT, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2019

			Debt Service Funds					
	General	Recreation	Special	Bond &	Alternate	Capital	Nonmajor	Total
	Fund	Fund	Recreation	Interest	Bond &	Projects	Governmental	Governmental
			Fund	Fund	Interest	Fund	Museum	Funds
Assets:								
Cash & cash equivalents	\$ 1,285,242	752,322	224,452	180,414	918,553	1,763,073	364,409	5,488,465
Receivables								
Property taxes	1,330,000	885,000	256,000	1,159,000	-	-	100,000	3,730,000
Due from other governments	15,919	-	-	-	-	-	-	15,919
Total assets	2,631,161	1,637,322	480,452	1,339,414	918,553	1,763,073	464,409	9,234,384
Liabilities:								
Accounts payable	46,737	23,370	3,239	-	-	8,714	1,310	83,370
Other payables	8,004	-	-	-	-	-	-	8,004
Accrued wages	16,675	38,733	11,178	-	-	-	-	66,586
Unearned revenue	-	3,804	-	-	-	-	-	3,804
Total liabilities	71,416	65,907	14,417	-	-	8,714	1,310	161,764
Deferred Inflows of Resources:								
Property taxes	1,330,000	885,000	256,000	1,159,000	-	-	100,000	3,730,000
Total liabilities and deferred inflows of resources	1,401,416	950,907	270,417	1,159,000	-	8,714	101,310	3,891,764
Fund balances:								
Restricted								
Recreation purposes	-	686,415	-	-	-	-	-	686,415
Special recreation	-	-	210,035	-	-	-	-	210,035
Museum purposes	-	-	-	-	-	-	363,099	363,099
IMRF	76,500	-	-	-	-	-	-	76,500
Social Security	116,739	-	-	-	-	-	-	116,739
Liability Insurance	154,582	-	-	-	-	-	-	154,582
Audit purposes	6,895	-	-	-	-	-	-	6,895
Working cash	48,718	-	-	-	-	-	-	48,718
Debt service	-	-	-	180,414	918,553	-	-	1,098,967
Committed								
Capital Projects	-	-	-	-	-	1,754,359	-	1,754,359
Unassigned	826,311	-	-	-	-	-	-	826,311
Total fund balances	1,229,745	686,415	210,035	180,414	918,553	1,754,359	363,099	5,342,620
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,631,161	1,637,322	480,452	1,339,414	918,553	1,763,073	464,409	9,234,384

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

BELVIDERE PARK DISTRICT, ILLINOIS
**Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Position**
December 31, 2019

Fund balances of Governmental Funds	\$	5,342,620
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets	\$ 33,776,796	
Accumulated depreciation	<u>(16,016,398)</u>	17,760,398

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

GO Bonds	(2,100,000)	
Alternate Revenue Bonds	(5,590,000)	
Unamortized bond premium	(108,281)	
Net pension liability - IMRF	(293,656)	
Compensated absences	(27,260)	
Accrued interest payable	<u>\$ (77,823)</u>	(8,197,020)

Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position.

(147,106)

Net position of governmental activities	\$	<u>14,758,892</u>
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The notes to the financial statements are an integral part of this statement.

BELVIDERE PARK DISTRICT, ILLINOIS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

				Debt Service Funds				
	General Fund	Recreation Fund	Special Recreation Fund	Bond & Interest Fund	Alternate Bond & Interest Fund	Capital Projects Fund	Nonmajor Governmental Museum Fund	Total Governmental Funds
Revenues:								
Property taxes	\$ 1,283,825	888,624	244,668	2,239,791	-	-	84,897	4,741,805
Corporate replacement taxes	114,053	-	-	-	-	-	-	114,053
Charges & fees	-	831,562	192,521	-	-	-	2,913	1,026,996
Donations	14,264	-	-	-	-	50,697	-	64,961
Interest	2,854	1,653	566	222	2,139	3,037	790	11,261
Other	23,121	2,820	5,515	-	-	2,601	-	34,057
Total revenues	<u>1,438,117</u>	<u>1,724,659</u>	<u>443,270</u>	<u>2,240,013</u>	<u>2,139</u>	<u>56,335</u>	<u>88,600</u>	<u>5,993,133</u>
Expenditures:								
Current:								
Culture & recreation:								
Personnel	780,458	1,179,821	372,071	-	-	-	166	2,332,516
Contractual services	385,820	258,070	26,427	-	-	1,150	15,449	686,916
Material & supplies	149,632	146,266	81,852	-	-	-	15,251	393,001
Capital outlay	26,492	4,191	284	-	-	545,577	-	576,544
Debt service:								
Principal	-	-	-	1,090,000	438,887	-	-	1,528,887
Interest and fiscal charges	-	-	-	28,885	196,819	-	-	225,704
Total expenditures	<u>1,342,402</u>	<u>1,588,348</u>	<u>480,634</u>	<u>1,118,885</u>	<u>635,706</u>	<u>546,727</u>	<u>30,866</u>	<u>5,743,568</u>
Excess of revenues over (under) expenditures	<u>95,715</u>	<u>136,311</u>	<u>(37,364)</u>	<u>1,121,128</u>	<u>(633,567)</u>	<u>(490,392)</u>	<u>57,734</u>	<u>249,565</u>
Other financing sources (uses):								
GO bond proceeds	-	-	-	-	640,000	460,000	-	1,100,000
Total other financing sources	-	-	-	-	640,000	460,000	-	1,100,000
Net change in fund balances	<u>95,715</u>	<u>136,311</u>	<u>(37,364)</u>	<u>1,121,128</u>	<u>6,433</u>	<u>(30,392)</u>	<u>57,734</u>	<u>1,349,565</u>
Fund balances:								
Beginning	<u>1,134,030</u>	<u>550,104</u>	<u>247,399</u>	<u>(940,714)</u>	<u>912,120</u>	<u>1,784,751</u>	<u>305,365</u>	<u>3,993,055</u>
Ending	<u>\$ 1,229,745</u>	<u>686,415</u>	<u>210,035</u>	<u>180,414</u>	<u>918,553</u>	<u>1,754,359</u>	<u>363,099</u>	<u>5,342,620</u>

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

BELVIDERE PARK DISTRICT, ILLINOIS
**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the
Governmental Activities in the Statement of Activities**

December 31, 2019

Net Change in Fund Balances - total governmental funds **\$ 1,349,565**

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

Governmental funds report capital outlays as expenditures. However, they are capitalized and depreciated in the statement of activities:

Capital asset purchases and donation capitalized	\$ 478,029	
Depreciation expense	(876,046)	
Gain or (loss) on disposal of fixed assets	<u>(39,682)</u>	(437,699)

The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities.

GO bonds	1,090,000	
Alternate revenue bonds	340,000	
Agreement for deed	<u>98,887</u>	1,528,887

The issuance of long-term debt is reported as an other financing source in the governmental funds but as an increase in outstanding principal in the statement of activities.

(1,100,000)

The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities.

603,256

The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities.

(637,013)

Some expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in compensated absences payable	(9,168)	
Change in accrued interest expense	6,310	
Amortization of bond premium	<u>\$ 15,686</u>	<u>12,828</u>

Change in net position of governmental activities **\$ 1,319,824**

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

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Belvidere Park District, Illinois (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

- A. The District was organized in 1919. The District operates under the Submerged Lands Statute of 1895 to acquire, develop and manage park and recreation lands and facilities. The District is a separate, autonomous, special purpose-taxing district governed by a five member elected Board of Commissioners. The District is a primary unit of government as defined by GASB-14. The District is not financially accountable for any component units or other entities.

B. Financial Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

C. Fund Accounting

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: government and fiduciary. Each category, in turn, is divided into separate fund types.

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

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of material inter-fund activity has been eliminated from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fiduciary funds are presented for certain activities when the District's role is that of trust or agent. While fiduciary funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. The River Front Committee was reported as a fiduciary fund, and accounted for the activities of the riverfront path development. The remaining funds were distributed in 2019, so the fiduciary fund is no longer presented as of December 31, 2019.

Major individual governmental funds are reported as separate columns in the fund financial statements. The District reports the following major governmental funds:

The General Fund accounts for all financial resources except those required to be accounted for in another fund. Generally, this fund is used to record the revenues and expenditures in connection with the general administration and maintenance activities.

The Recreation Fund accounts for the proceeds of specific revenue sources that are legally restricted or intended for specified purposes.

The Special Recreation Fund accounts for the proceeds of specific revenue sources that are legally restricted or intended for specified purposes.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-Wide and Fund Financial Statements (Continued)

The Bond & Interest Fund accounts for the accumulation of legally restricted resources for, and payment of, long-term debt principal, interest and related costs.

The Alternate Bond and Interest Fund accounts for the accumulation of legally restricted resources for, and payment of, long-term debt principal, interest and related costs.

The Capital Projects Fund accounts for major capital expenditures.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants, contributions and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as expenditures when due.

Those revenues susceptible to accrual are property taxes and interest revenue. Charges and fees revenues are not susceptible to accrual because generally they are not measurable until received in cash. In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines.

Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The District reports deferred inflows of resources on its financial statements for property taxes, levied in the current year to finance the subsequent year's budget, since they do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue may arise when resources are received by the District before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures, and therefore do not meet the "earned" criteria for revenue recognition in the current period. In subsequent periods, when the revenue recognition criteria is met, or when the government has a legal claim to the resources, the deferred inflows of resources or the liability for unearned revenue is removed from the financial statements and revenue is recognized.

F. Cash and Cash Equivalents

The District considers all cash on hand, demand deposits and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents.

G. Investments

Investments with a maturity of one year or less and all non-negotiable certificates of deposits are recorded at cost or amortized cost. All other investments are recorded at fair value. Fair value is determined based primarily on the basis of quoted market prices.

H. Prepaid Expenses

If there are certain payments to vendors that reflect costs applicable to future accounting periods, they are recorded as prepaid items in both government-wide and fund financial statements.

I. Property Taxes

The District annually establishes a legal right to revenue from property tax assessments upon enactment of a tax levy ordinance by the District Board. Property taxes are recognized as a receivable at the time they are levied. Revenue from property taxes is recognized as the taxes are collected in the year intended to finance or when they become available to be used to pay liabilities of the current period, generally considered to be within sixty days after year end. Revenue from those taxes which are not considered available is reported as a deferred inflow of resources.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property Taxes (Continued)

The property tax calendar for the 2018 tax levy was as follows:

Lien Date	January 1, 2018
Levy Date	December 11, 2018
First Installment due	June 1, 2019
Second Installment due	September 1, 2019

Tax bills were mailed at least 30 days prior to the first installment due date. Property taxes are billed and collected by the County Treasurer of Boone County, Illinois.

The 2019 tax levy, which attached as an enforceable lien on property as of January 1, 2019, has been recorded as a receivable and as a deferred inflow of resources as of December 31, 2019 as the tax had been levied by the District but would not be extended or collected until calendar year 2020.

The District's 2018 tax rates per \$100 of assessed valuation together with the related maximum tax rates are as follows:

Type of Levy	Rate Per \$100 of Assessed Valuation	
	Rate	Legal Maximum
District		
General	0.15181	0.35000
Bond & Interest	0.36618	none
IMRF	0.01714	none
Audit	0.00245	0.00500
Liability Insurance	0.01225	none
Social Security	0.02624	none
Museum	0.01388	0.07000
Recreation	0.14528	0.37000
Joint Handicap Recreation	0.04000	0.04000
Total District	<u>0.77523</u>	

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets

Capital assets, which include property, plant, equipment and vehicles, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	10-15
Building & Improvements	10-39
Equipment, Software, & Vehicles	5-10

K. Compensated Absences

Employees earn vacation based upon their length of service. Such pay is expensed when paid by the District. In the event of termination, an employee is paid for accumulated vacation days. The total liability for these compensated absences will be payable from future resources and is accounted for in the government-wide financial statements.

L. Fund Equity/Net Position

Fund balances for the governmental funds are reported in classifications that comprise a hierarchy based on the extent to which the government honors constraints on the specific purposes for which amounts in those funds can be spent.

The non-spendable classification contains amounts not in spendable form or legally or contractually required to be maintained intact.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Equity/Net Position (Continued)

Restricted amounts contain restraints on their use externally imposed by creditors, grantors, contributors, or law or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation. The District reports restricted fund balance amounts for the debt service fund and special revenue funds imposed by tax levies.

Committed amounts can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. The highest level of decision-making authority is the District's Board of Commissioners, and it takes an ordinance, resolution, or formal vote of approval to establish, modify, or rescind a fund balance commitment. Capital projects fund balances are reported as committed based on the Budget & Appropriation Ordinance.

Amounts intended to be used for specific purposes are assigned. Assignments should not cause deficits in the unassigned fund balance. The District did not have any assigned fund balances at the end of the year.

Unassigned fund balance is the residual classification for the general fund and is used for any deficit fund balances.

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, and then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, the District uses committed resources first, then assigned resources, and then unassigned resources as they are needed.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets. All other net position that does not meet the definition of "restricted" or "net investment in capital assets" is classified as unrestricted net position.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

2. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires deposits to be secured by collateral at least equal to 102% of the deposit principal and any accrued interest less the amount of the Federal Deposit Insurance Corporation's insurance.

Deposits of the District are insured or collateralized with securities held by the Federal Reserve Bank, by another custodial bank, or by an escrow agent of the pledging institution. At December 31, 2019, the District's cash was held by a local bank in demand deposit accounts with a combined book balance of \$5,488,465 and bank balance of \$5,534,850. The primary difference between book and bank balances was due to outstanding checks. Of the total bank balance, \$5,284,850 exceeded FDIC insurance limits and were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	-
Uninsured and collateralized by securities held by the pledging financial institution		5,284,850
	\$	<u>5,284,850</u>

Investment Policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the District's investing activities are managed by the District's Superintendent of Administrative Services. Investing is performed in accordance with the investment policies adopted by the Board of Commissioners. District funds may be invested in 1) direct obligations of the United States government, its agencies to the payment of which the full faith and credit of the government of the United States is pledged; 2) obligations of the Government National Mortgage Association, Federal National Mortgage Association, Federal Home Loans Mortgage Corporation, or any Federal farm credit bank, Federal land bank, or Federal home loan bank notes or bonds; 3) collateralized or insured certificates of deposit and other evidences of deposits at banks, savings banks, savings and loan associations, and credit unions in the State of Illinois; or 4) money market mutual funds.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy does not specifically address this 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 specifically address the risks attributable to the concentration of credit risk.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

3. POOLED CASH

The District maintains a pooled checking account to maximize interest earnings. The following is a listing of each funds' share of the pooled accounts:

	Cash
General	\$ 1,285,242
Special Revenues Funds	
Recreation	752,322
Museum	364,409
Special Recreation	224,452
Total Special Revenue Funds	1,341,183
Debt Service Funds	
Alternate Bond & Interest	918,553
Bond and Interest	180,414
Total Debt Service Funds	1,098,967
Capital Projects Fund	1,763,073
Total Pooled Cash	\$ 5,488,465

4. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 4,553,403	87,246	-	4,640,649
	4,553,403	87,246	-	4,640,649
Capital assets being depreciated:				
Land improvements	16,936,971	210,973	-	17,147,944
Building & building improvements	10,585,307	40,024	(40,024)	10,585,307
Equipment & software	771,929	78,962	(9,000)	841,891
Vehicles	500,181	60,824	-	561,005
Total capital assets being depreciated	28,794,388	390,783	(49,024)	29,136,147
Less accumulated depreciation for:				
Land improvements	10,051,222	516,758	-	10,567,980
Building & building improvements	4,261,182	263,119	(342)	4,523,959
Equipment & software	548,270	57,495	(9,000)	596,765
Vehicles	289,020	38,674	-	327,694
Total accumulated depreciation	15,149,694	876,046	(9,342)	16,016,398
Total capital assets being depreciated, net	13,644,694	(485,263)	(39,682)	13,119,749
Governmental activities capital assets, net	\$ 18,198,097	(398,017)	(39,682)	17,760,398

All depreciation expense of governmental activities capital assets was for culture and recreation purposes.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

5. LONG-TERM DEBT

The outstanding debt as of December 31, 2019 consists of the following individual amounts:

	Balances 12/31/19	Current Portion
G.O. Park Bonds, series 2015-A issued for 2015 capital projects; Principal due at maturity on January 31, 2020 and interest payable semi-annually on Jan 31 and July 31; interest rate of 2.8% per annum*	\$ 1,000,000	1,000,000
G.O. Park Bonds, series 2019 issued for Debt Service and capital projects; Principal and interest due Dec. 2, 2020; interest rate of 1.75%	1,100,000	1,100,000
General Obligation Park Bonds (Alt. Rev. source), series 2012A issued to fund capital projects; Original issue \$7,945,000; principal due Feb. 1, 2013 through 2032; Interest rates vary from 2.0% to 3.0%, due Feb. 1 and Aug.1	5,590,000	350,000
Net pension liability - IMRF	293,656	-
Compensated absences	27,260	27,260
Total outstanding debt	\$ 8,010,916	2,477,260

*Original maturity date was July 31, 2018 and had an interest rate of 1.8%. Bond agreement was extended until January 31, 2020 with an interest rate from original maturity through date of payment of 2.8% due to the Bond & Interest Fund's tax levy issue discussed in Note 10.

The annual requirements to amortize each outstanding long-term debt at year-end consist of the following:

Year Ending December 31,	Park Bond Series 2019		Park Bond Series 2015-A		GO Park Bonds (Alt. Rev.) Series 2012A		Total Principal	Total Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2020	1,100,000	19,250	1,000,000	14,000	350,000	153,525	2,450,000	186,775
2021	-	-	-	-	355,000	142,950	355,000	142,950
2022	-	-	-	-	365,000	133,063	365,000	133,063
2023	-	-	-	-	380,000	123,750	380,000	123,750
2024	-	-	-	-	395,000	114,062	395,000	114,062
2025-2029	-	-	-	-	2,225,000	394,463	2,225,000	394,463
2030-2032	-	-	-	-	1,520,000	69,450	1,520,000	69,450
Total	\$ 1,100,000	19,250	1,000,000	14,000	5,590,000	1,131,263	7,690,000	1,164,513
Net pension liability - IMRF							293,656	
Compensated absences							27,260	
							\$ 8,010,916	

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

5. LONG-TERM DEBT (Continued)

The December 31, 2019 compensated absences of \$27,260 are expected to be used/paid during 2020. Compensated absences are paid by the General, Recreation, or Special Recreation Funds.

The G.O. Bonds (Alt. Rev. source) Series 2012A, G.O. Bonds Series 2015-A, and the installment contract (agreement for deed) will be paid from the Alternate Bond and Interest Fund (Debt Service). The G.O. Bonds Series 2019 will be paid from the Bond and Interest Fund (Debt Service).

Long-term liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	New Issues	Retired	Ending Balance
G.O. Bond, Series 2019	\$ -	1,100,000	-	1,100,000
G.O. Bond, Series 2018	1,090,000	-	1,090,000	-
G.O. Bond, Series 2015-A	1,000,000	-	-	1,000,000
Alternate Revenue Bonds 2012A	5,930,000	-	340,000	5,590,000
Agreement for deed	98,887	-	98,887	-
Net pension liability - IMRF	896,912	-	603,256	293,656
Compensated absences	18,092	73,832	64,664	27,260
	<u>\$ 9,033,891</u>	<u>1,173,832</u>	<u>2,196,807</u>	<u>8,010,916</u>

Legal Debt Margin

The District's aggregate indebtedness is subject to a statutory limitation by the State of Illinois of 2.875% of its equalized assessed value of \$612,647,631. At December 31, 2019, the statutory limit for the District was \$17,613,619. The District's outstanding debt, net of assets available for bond retirements, was \$6,591,033 leaving a legal debt margin of \$11,022,586.

Non-Referendum General Obligation Bond Limit

The District may issue general obligation bonds without submitting the proposition of the issue in a referendum as long as the aggregate outstanding unpaid balance of bonds and notes does not exceed 0.575% of total assessed value of the District. At December 31, 2019, the statutory limit on non-referendum general obligation bonds was \$3,522,724. The District's outstanding debt for general obligation bonds, net of assets available for bond retirements, was \$1,001,033 leaving a legal debt margin of \$2,521,691.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

6. EMPLOYEE RETIREMENT SYSTEM

IMRF Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

The District's defined benefit pension plan has 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.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

6. EMPLOYEE RETIREMENT SYSTEM (Continued)

Employees Covered by Benefit Terms

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

Retirees and Beneficiaries currently receiving benefits	16
Inactive Plan Members entitled to but not yet receiving benefits	64
Active Plan Members	<u>28</u>
Total	<u>108</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2019 was 8.64%. For the fiscal year ended December 31, 2019, the District contributed \$102,715 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

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

Actuarial Assumptions

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

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

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

6. EMPLOYEE RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (Continued)

- **For Disabled Retirees**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- **For Active Members**, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- 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:

Asset Class	Target Allocation	Return 12/31/2019	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	37.00%	29.23%	7.05%	5.75%
International Equities	18.00%	23.76%	8.10%	6.50%
Fixed Income	28.00%	9.50%	3.70%	3.25%
Real Estate	9.00%	9.78%	6.35%	5.20%
Alternatives	7.00%			
Private Equity		N/A	11.30%	7.60%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	4.65%	3.60%
Cash Equivalents	1.00%	3.59%	1.85%	1.85%

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

6. EMPLOYEE RETIREMENT SYSTEM (Continued)

Single Discount Rate

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

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability

Changes in the District's net pension liability for the year ended December 31, 2019 were as follows:

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability (Asset)
Balance, December 31, 2018	\$ 5,272,654	\$ 4,375,742	\$ 896,912
Changes for the year:			
Service Cost	118,608	-	118,608
Interest	378,351	-	378,351
Difference between expected and actual experience	(144,023)	-	(144,023)
Changes of assumptions	-	-	-
Contributions - employees	-	53,274	(53,274)
Contributions - employer	-	102,715	(102,715)
Net investment income	-	785,716	(785,716)
Benefit payments including refunds of Employee Contributions	(226,634)	(226,634)	-
Other (Net Transfer)	-	14,487	(14,487)
Net Changes	126,302	729,558	(603,256)
Balance, December 31, 2019	<u>\$ 5,398,956</u>	<u>\$ 5,105,300</u>	<u>\$ 293,656</u>

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

6. EMPLOYEE RETIREMENT SYSTEM (Continued)

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

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 6,116,702	\$ 5,398,956	\$ 4,819,498
Plan Fiduciary Net Position	5,105,300	5,105,300	5,105,300
Net Pension Liability/(Asset)	<u>\$ 1,011,402</u>	<u>\$ 293,656</u>	<u>\$ (285,802)</u>

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

For the year ended December 31, 2019, the District realized pension expense of \$136,472. At December 31, 2019, the District realized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 93,441	\$ 110,009	\$ (16,568)
Changes of assumptions	76,439	38,590	37,849
Net difference between projected and actual earnings on plan investments	335,083	503,470	(168,387)
Total	<u>\$ 504,963</u>	<u>\$ 652,069</u>	<u>\$ (147,106)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending December 31	Net Deferred Outflows of Resources
2020	\$ (28,768)
2021	(34,691)
2022	10,455
2023	(94,102)
2024	-
Thereafter	-
Total	<u>\$ (147,106)</u>

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

Due to minimal utilization, the implicit subsidy to calculate in accordance with GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (which became effective for fiscal years beginning after June 15, 2017 and replaced GASB Statement No. 45) is estimated to be immaterial to the financial statements. Additionally, the District had no former employees for which the District was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any postemployment benefit liability as of December 31, 2019.

8. CHANGES IN RESTRICTED FUND EQUITY

The District levies taxes for the following funds, which it records in the General Fund. During the fiscal year ended December 31, 2019, the following table shows a summary of the activity associated with these tax levies:

	IMRF	Social Security	Liability Insurance	Audit	Working Cash
Beginning equity	\$ 66,130	86,276	166,085	6,211	48,718
Revenues	112,841	170,501	85,701	14,984	-
Expenditures	(102,471)	(140,038)	(97,204)	(14,300)	-
Excess covered by General Fund	-	-	-	-	-
Ending equity	<u>\$ 76,500</u>	<u>116,739</u>	<u>154,582</u>	<u>6,895</u>	<u>48,718</u>

9. RISK MANAGEMENT COOPERATIVE

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 August 21, 2015, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park districts, forest preserve districts, special recreation associations and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2019 through December 31, 2019:

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

9. RISK MANAGEMENT COOPERATIVE (Continued)

Coverage	Member Deductible	PDRMA Self-insured Retention	Limits	Insurance Company	Policy Number
<u>1. Property</u>					
All losses per occurrence	\$1,000	\$1,000,000	\$1,000,000,000/all members Declaration 11	PDRMA	P070118
Flood/except Zones A & V	\$1,000	\$1,000,000	\$250,000,000/occurrence/annual aggregate	Reinsurers:	
Flood, Zones A & V	\$1,000	\$1,000,000	\$200,000,000/occurrence/annual aggregate	Various Reinsurers through the Public Entity	
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/occurrence/annual aggregate	Property Reinsurance Program (PEPIP)	
Auto Physical Damage Comprehensive and Collision	\$1,000	\$1,000,000	Included		
Course of Construction	\$1,000	Included	\$25,000,000		
Business Interruption, Rental Income, Tax Income			\$100,000,000/reported values		
Combined	\$1,000		\$500,000/\$2,500,000/ non-reported values		
Service Interruption	24 hours	N/A	\$25,000,000		
			Other sub-limits apply - refer to coverage document		
Boiler and Machinery			\$100,000,000 Equip. Breakdown		
Property damage	\$1,000	\$9,000	Property damage - included	Travelers	
Business Income	48 hours	N/A	Included	Indemnity Co. of Illinois	BME10525L478
			Other sub-limits apply - refer to coverage document		
Fidelity and Crime	\$1,000	\$24,000	\$2,000,000/occurrence	National Union	
Seasonal employees	\$1,000	\$9,000	\$1,000,000/occurrence	Fire Insurance Co.	04-406-05-38
Blanket bond	\$1,000	\$24,000	\$2,000,000/occurrence		
<u>2. Workers Compensation</u>					
Employers' Liability	N/A	\$500,000 \$500,000	Statutory \$3,500,000 Employers Liability	PDRMA Government Entities Mutual (GEM) Safety National	WC010119 GEM-0003-A19001 SP4059655
<u>3. Liability</u>					
General	None	\$500,000	\$21,500,000/occurrence	PDRMA	L010119
Auto Liability	None	\$500,000	\$21,500,000/occurrence	Reinsurers:	
Employment Practices	None	\$500,000	\$21,500,000/occurrence	GEM	GEM-0003-
Public Officials' Liability	None	\$500,000	\$21,500,000/occurrence	Great American	A19001
Law Enforcement Liability	None	\$500,000	\$21,500,000/occurrence	Genesis	1114616
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/occurrence		C501
<u>4. Pollution Liability</u>					
Liability - Third party	None	\$25,000	\$5,000,000/occurrence	XL Environmental Insurance	
Property - First party	\$1,000	\$24,000	\$30,000,000 3 yr. aggregate		PEC 2535806
<u>5. Outbreak Expense</u>	24 hours	N/A	\$15,000 per day \$1 million aggregate policy limit	Great American	OB010119

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

9. RISK MANAGEMENT COOPERATIVE (Continued)

Coverage	Member Deductible	PDRMA Self-insured Retention	Limits	Insurance Company	Policy Number
<u>6. Information Security and Privacy Insurance with Electronic Media Liability Coverage</u>					
Information Security & Privacy Liability	None	\$100,000	\$2,000,000/occurrence/annual aggregate	Beazley Lloyds Syndicate	PH1833938
Privacy Notification Costs	None	\$100,000	\$500,000/occurrence/annual aggregate	AFB 2623/623 through the PEPIP program	
Regulatory Defense & Penalties	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
Website Media Content Liability	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
Cyber Extortion	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
Data Protection & Business Interruption	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
First Party Business Interruption	\$1,000	\$100,000	\$2,000,000/occurrence/annual aggregate		
	8 hours	\$100,000	\$50,000 hourly sublimit/\$50,000 forensic expense/\$150,000 dependent business interruption		
<u>7. Volunteer Medical Accident</u>	None	\$5,000	\$5,000 medical expense of any other collectible insurance	Self-insured	
<u>8. Underground Storage Tank Liability</u>	None	N/A	\$10,000 follows Illinois Leaking Underground Tank Fund	Self-insured	
<u>9. Unemployment Compensation</u>	N/A	N/A	Statutory	Member funded	

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Belvidere Park District. Settlements have not exceeded insurance claims in each of the past three years.

As a member of PDRMA's Property/Casualty Program, the Belvidere Park 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 Belvidere Park District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Belvidere Park District's governing body. The Belvidere Park 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 investigation and settlement, and to follow risk management procedures as outlined by PDRMA.

Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

9. RISK MANAGEMENT COOPERATIVE (Continued)

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's balance sheet at December 31, 2018 and the statement of revenues and expenses for the period ending December 31, 2018. The Belvidere Park District's portion of the overall equity pool is 0.039% or \$19,047.

Assets	\$64,598,180
Deferred Outflows of Resources – Pension	\$735,579
Liabilities	\$20,358,043
Deferred Inflows of Resources – Pension	\$1,157,368
Total Net Position	\$43,818,350
Revenues	\$18,891,688
Expenditures	\$18,647,660

Since 98.39% 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 Net Position is impacted annually as more recent loss information becomes available.

10. BOND & INTEREST TAX LEVY

The District's 2017 tax levy for the Bond & Interest Fund was not extended for payment in 2018 due to an administrative error by the Boone County Clerk's office. This resulted in a loss of approximately \$1,090,000 in property tax revenue for the District in 2018. The levy was extended for collection in 2019 as part of the 2018 tax levy. As of December 31, 2018, the District recorded approximately \$1,120,000 in Taxes Receivable and Deferred Inflows of Resources for the additional Bond & Interest taxes to be collected in 2019. The District collected the lost tax revenue, including interest, in 2019 totaling approximately \$1,118,000.

11. SUBSEQUENT EVENTS

The District has evaluated subsequent events through August 26, 2020, which was the date that these financial statements were available for issuance. On March 11, 2020, the World Health Organization (WHO) declared the coronavirus (COVID-19) a global pandemic due to the spread of the virus in over 100 countries. The State of Illinois implemented restrictive measures to limit the spread of the virus including shelter-in-place orders and the closure of non-essential businesses.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2019

11. SUBSEQUENT EVENTS (Continued)

As of August 26, 2020, the shelter-in-place orders have been lifted and non-essential businesses were allowed to reopen, but the pandemic has resulted in significant economic disruption. As a result of the virus, the District chose to not open the William Grady Pool for the 2020 season, the Rivers Edge Recreation Center was closed, and programs were discontinued. The District is unable to reasonably estimate the financial impact that the pandemic has on its operations, but due to economic decline, a material decrease in charges for services is expected.

BELVIDERE PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
Illinois Municipal Retirement Fund
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Calendar Years
(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ 118,608	\$ 114,669	\$ 115,795	\$ 112,763	\$ 107,406	\$ 121,215
Interest on the Total Pension Liability	378,351	355,012	327,696	309,271	283,321	261,922
Benefit Changes	-	-	-	-	-	-
Difference between Expected and Actual Experience	(144,023)	66,233	196,166	(69,952)	42,667	(106,115)
Assumption Changes	-	146,665	(126,138)	(5,435)	5,382	93,553
Benefit Payments and Refunds	(226,634)	(172,165)	(125,336)	(90,643)	(89,275)	(67,405)
Net Change in Total Pension Liability	126,302	510,414	388,183	256,004	349,501	303,170
Total Pension Liability - Beginning	5,272,654	4,762,240	4,374,057	4,118,053	3,768,552	3,465,382
Total Pension Liability - Ending (a)	<u>\$ 5,398,956</u>	<u>\$ 5,272,654</u>	<u>\$ 4,762,240</u>	<u>\$ 4,374,057</u>	<u>\$ 4,118,053</u>	<u>\$ 3,768,552</u>
Plan Fiduciary Net Position						
Employer Contributions	\$ 102,715	\$ 116,621	\$ 112,287	\$ 110,879	\$ 114,211	\$ 101,298
Employee Contributions	53,274	58,751	54,450	52,912	52,247	47,553
Pension Plan Net Investment Income	785,716	(210,731)	609,709	249,909	17,960	201,524
Benefit Payments and Refunds	(226,634)	(172,165)	(125,336)	(90,643)	(89,275)	(67,405)
Other (Net Transfer)	14,487	77,114	(36,529)	4,375	(84,461)	7,538
Net Change in Plan Fiduciary Net Position	729,558	(130,410)	614,581	327,432	10,682	290,508
Plan Fiduciary Net Position - Beginning	4,375,742	4,506,152	3,891,571	3,564,139	3,553,457	3,262,949
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,105,300</u>	<u>\$ 4,375,742</u>	<u>\$ 4,506,152</u>	<u>\$ 3,891,571</u>	<u>\$ 3,564,139</u>	<u>\$ 3,553,457</u>
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ 293,656	\$ 896,912	\$ 256,088	\$ 482,486	\$ 553,914	\$ 215,095
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.56%	82.99%	94.62%	88.97%	86.55%	94.29%
Covered Valuation Payroll	\$ 1,183,590	\$ 1,284,901	\$ 1,209,989	\$ 1,175,816	\$ 1,118,130	\$ 1,040,847
Net Pension Liability as a Percentage of Covered Valuation Payroll	24.81%	69.80%	21.16%	41.03%	49.54%	20.67%

BELVIDERE PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
Illinois Municipal Retirement Fund
Multiyear Schedule of Contributions
Last 10 Calendar Years
(schedule to be built prospectively from 2014)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 102,262	\$ 102,715	\$ (453)	\$ 1,188,715	8.64%
2018	116,621	116,621	-	1,307,411	8.92%
2017	112,287	112,287	-	1,209,989	9.28%
2016	110,879	110,879	-	1,175,816	9.43%
2015	109,800	114,211	(4,411)	1,118,130	10.21%
2014	100,546	101,298	(752)	1,040,847	9.73%

BELVIDERE PARK DISTRICT, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS
December 31, 2019

Illinois Municipal Retirement Fund
Summary of Actuarial Methods and Assumptions
Used in the Calculation of the 2019 Contribution Rate*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2019 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing Bodies: 10-year rolling period, Taxing bodies (Regular, SLEP, and ECO groups): 24-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes There were no benefit changes during the year.

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

BELVIDERE PARK DISTRICT, ILLINOIS
 Required Supplementary Information
 Schedule of Revenues, Expenditures
 and Changes in Fund Balance - Budget and Actual

General Fund

For the Year Ended December 31, 2019
 With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
Property taxes	\$ 1,285,745	1,283,825	(1,920)	1,267,023
Corporate replacement taxes	80,384	114,053	33,669	88,279
Donations	8,000	14,264	6,264	7,857
Interest	2,750	2,854	104	3,493
Other	63,325	23,121	(40,204)	53,584
Total revenues	<u>1,440,204</u>	<u>1,438,117</u>	<u>(2,087)</u>	<u>1,420,236</u>
Expenditures:				
Current:				
Culture & recreation:				
Personnel	867,151	780,458	86,693	846,598
Contractual services	442,070	385,820	56,250	421,210
Material & supplies	211,925	149,632	62,293	162,209
Capital outlay	40,550	26,492	14,058	28,463
Total expenditures	<u>1,561,696</u>	<u>1,342,402</u>	<u>219,294</u>	<u>1,458,480</u>
Net change in fund balance	<u>\$ (121,492)</u>	95,715	<u>217,207</u>	(38,244)
Fund balance:				
Beginning		<u>1,134,030</u>		<u>1,172,274</u>
Ending		<u>\$ 1,229,745</u>		<u>1,134,030</u>

BELVIDERE PARK DISTRICT, ILLINOIS
Required Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual

Recreation Fund

For the Year Ended December 31, 2019

With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 890,000	888,624	(1,376)	850,205
Charges & fees	945,500	831,562	(113,938)	869,529
Donations	2,500	-	(2,500)	668
Interest	1,000	1,653	653	1,548
Other	12,000	2,820	(9,180)	10,113
Total revenues	<u>1,851,000</u>	<u>1,724,659</u>	<u>(126,341)</u>	<u>1,732,063</u>
Expenditures:				
Current:				
Culture & recreation:				
Personnel	1,338,366	1,179,821	158,545	1,185,435
Contractual services	327,009	258,070	68,939	247,297
Material & supplies	213,720	146,266	67,454	151,060
Capital Outlay	<u>9,000</u>	<u>4,191</u>	<u>4,809</u>	<u>3,039</u>
Total expenditures	<u>1,888,095</u>	<u>1,588,348</u>	<u>299,747</u>	<u>1,586,831</u>
Net change in fund balance	<u>(37,095)</u>	136,311	<u>173,406</u>	145,232
Fund balance:				
Beginning		<u>550,104</u>		<u>404,872</u>
Ending		\$ <u>686,415</u>		<u>550,104</u>

BELVIDERE PARK DISTRICT, ILLINOIS
Required Supplementary Information
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Recreation Fund
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 245,267	244,668	(599)	236,629
Charges & fees	201,800	192,521	(9,279)	196,679
Interest	200	566	366	728
Other	14,500	5,515	(8,985)	9,360
Total revenues	<u>461,767</u>	<u>443,270</u>	<u>(18,497)</u>	<u>443,396</u>
Expenditures:				
Current:				
Culture & recreation:				
Personnel	361,487	372,071	(10,584)	329,170
Contractual	32,400	26,427	5,973	26,138
Material & supplies	96,750	81,852	14,898	80,841
Capital outlay	<u>10,000</u>	<u>284</u>	<u>9,716</u>	<u>-</u>
Total expenditures	<u>500,637</u>	<u>480,634</u>	<u>20,003</u>	<u>436,149</u>
Net change in fund balance	<u>\$ (38,870)</u>	<u>(37,364)</u>	<u>1,506</u>	<u>7,247</u>
Fund balance:				
Beginning		<u>247,399</u>		<u>240,152</u>
Ending		<u>\$ 210,035</u>		<u>247,399</u>

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2019

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the fund level) for all the funds on the modified accrual basis with a line items basis by fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- A. The District Executive Director submits to the District Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to March 31, the budget is legally enacted by District Board action. This is the amount reported as original budget.
- D. The District Board is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total appropriation of any fund must be approved by the District Board as a supplemental appropriation ordinance.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year.
- F. All budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Budgetary authority lapses at year-end.
- H. State law requires that "expenditures be made in conformity with appropriations/ budget." As under the budget act, transfers between line items, departments and funds may be made by administrative action. The final budget reflects all amendments made. The level of legal control is at the fund level.

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Bond and Interest Fund
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 2,232,200	2,239,791	7,591	-
Interest	100	222	122	230
Total revenues	<u>2,232,300</u>	<u>2,240,013</u>	<u>7,713</u>	<u>230</u>
Expenditures:				
Debt service:				
Principal	1,090,000	1,090,000	-	1,075,000
Interest	<u>22,000</u>	<u>28,885</u>	<u>(6,885)</u>	<u>17,200</u>
Total expenditures	<u>1,112,000</u>	<u>1,118,885</u>	<u>(6,885)</u>	<u>1,092,200</u>
Net change in fund balance	\$ <u>1,120,300</u>	1,121,128	<u>828</u>	(1,091,970)
Fund balance:				
Beginning		<u>(940,714)</u>		<u>151,256</u>
Ending		\$ <u>180,414</u>		<u>(940,714)</u>

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Alternate Bond and Interest Fund
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Interest	\$ 400	2,139	1,739	3,504
Total revenues	400	2,139	1,739	3,504
Expenditures:				
Debt Service:				
Principal payments	438,888	438,887	1	420,529
Interest payments	196,819	196,819	-	201,396
Total expenditures	635,707	635,706	1	621,925
Excess of revenues over (under) expenditures	<u>(635,307)</u>	<u>(633,567)</u>	<u>1,740</u>	<u>(618,421)</u>
Other financing sources (uses):				
GO bond proceeds	640,000	640,000	-	-
Total other financing sources	640,000	640,000	-	-
Net change in fund balance	<u>\$ 4,693</u>	<u>6,433</u>	<u>1,740</u>	<u>(618,421)</u>
Fund balance:				
Beginning		912,120		1,530,541
Ending		<u>\$ 918,553</u>		<u>912,120</u>

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects Fund

For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Grants	20,000	-	(20,000)	-
Donations	-	50,697	50,697	106,164
Interest	300	3,037	2,737	2,319
Other	30,000	2,601	(27,399)	85,254
Total revenues	50,300	56,335	6,035	193,737
Expenditures:				
Current:				
Culture & recreation:				
Contractual services	5,000	1,150	3,850	1,100
Capital outlay	873,700	545,577	328,123	277,144
Total expenditures	878,700	546,727	331,973	278,244
Excess of revenues over (under) expenditures	(828,400)	(490,392)	338,008	(84,507)
Other financing sources (uses):				
GO bond proceeds	475,000	460,000	(15,000)	1,090,000
Total other financing sources	475,000	460,000	(15,000)	1,090,000
Net change in fund balance	\$ (353,400)	(30,392)	323,008	1,005,493
Fund balance:				
Beginning		1,784,751		779,258
Ending		\$ 1,754,359		1,784,751

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Museum Fund

For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	2019			2018
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 85,000	84,897	(103)	74,953
Charges & fees	4,500	2,913	(1,587)	4,000
Interest	100	790	690	839
Total revenues	89,600	88,600	(1,000)	79,792
Expenditures:				
Current:				
Culture & recreation:				
Personnel	28,655	166	28,489	11,549
Contractual services	151,500	15,449	136,051	16,689
Material & supplies	31,296	15,251	16,045	15,396
Total expenditures	211,451	30,866	180,585	43,634
Net change in fund balance	\$ (121,851)	57,734	179,585	36,158
Fund balance:				
Beginning		305,365		269,207
Ending		\$ <u>363,099</u>		<u>305,365</u>

BELVIDERE PARK DISTRICT, ILLINOIS
Assessed Valuations and Property Tax Rates
Extensions and Collections

	Tax Years		
	2018	2017	2016
Rate Setting Assessed Valuation	\$ 612,647,631	592,148,762	567,839,354
Tax rates:			
General	0.15181	0.15199	0.15656
Recreation	0.14528	0.14372	0.13367
Museum	0.01388	0.01267	0.01762
Social Security	0.02624	0.02519	0.02456
IMRF	0.01714	0.01757	0.01832
Liability	0.01225	0.01689	0.02290
Audit	0.00245	0.00254	0.00229
Joint Handicap Rec.	0.04000	0.04000	0.04000
Bond & Interest	0.36618	-	0.18960
	<u>0.77523</u>	<u>0.41057</u>	<u>0.60552</u>
Tax extensions:			
General Fund	930,060	900,007	889,009
Recreation Fund	890,054	851,036	759,031
Museum Fund	85,035	75,025	100,053
Social Security	160,759	149,162	139,461
IMRF	105,008	104,041	104,028
Liability Fund	75,049	100,014	130,035
Audit Fund	15,010	15,041	13,004
Joint Handicap Rec.	245,059	236,860	227,136
Bond & Interest	2,243,393	-	1,076,623
	<u>4,749,428</u>	<u>2,431,185</u>	<u>3,438,381</u>
Tax Collections:			
General Fund	928,569	899,124	888,541
Recreation Fund	888,624	850,205	758,629
Museum Fund	84,897	74,953	100,001
Social Security	160,501	149,017	139,387
IMRF	104,841	103,939	103,973
Liability Fund	74,930	99,916	129,967
Audit Fund	14,984	15,027	12,997
Joint Handicap Rec.	244,668	236,629	227,016
Bond & Interest	2,239,791	-	1,076,054
	<u>\$ 4,741,805</u>	<u>2,428,810</u>	<u>3,436,565</u>
Percent Collected	<u>99.8%</u>	<u>99.9%</u>	<u>99.9%</u>

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Legal Debt Margin
December 31, 2019

	2019 <u>for tax year 2018</u>	2018 <u>for tax year 2017</u>
Assessed Valuations	\$ <u>612,647,631</u>	<u>592,148,762</u>
Statutory Debt Limitation (2.875% of Assessed Valuation)	<u>17,613,619</u>	<u>17,024,277</u>
Amount of debt applicable to debt limit:		
General obligation bonds	2,100,000	2,090,000
General obligation alternate revenue bonds	5,590,000	5,930,000
Agreement for deed	<u>-</u>	<u>98,887</u>
Total debt applicable to limit	7,690,000	8,118,887
Less: assets in debt service funds available for payment on debt	<u>1,098,967</u>	<u>921,406</u>
Net debt applicable to limit	<u>6,591,033</u>	<u>7,197,481</u>
Legal debt margin	\$ <u><u>11,022,586</u></u>	<u><u>9,826,796</u></u>

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Non-Referendum Bond Debt Margin
December 31, 2019

	2019 <u>for tax year 2018</u>	2018 <u>for tax year 2017</u>
Assessed Valuations	\$ <u>612,647,631</u>	<u>592,148,762</u>
Statutory Debt Limitation (0.575 % of Assessed Valuation)	<u>3,522,724</u>	<u>3,404,855</u>
Amount of debt applicable to debt limit:		
General obligation bonds	<u>2,100,000</u>	<u>2,090,000</u>
Total debt applicable to limit	2,100,000	2,090,000
Less: assets in debt service funds available for payment on debt	<u>1,098,967</u>	<u>921,406</u>
Net debt applicable to limit	<u>1,001,033</u>	<u>1,168,594</u>
Legal debt margin	\$ <u>2,521,691</u>	<u>2,236,261</u>