

BELVIDERE PARK DISTRICT, ILLINOIS

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

BELVIDERE PARK DISTRICT, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Belvidere Park District, Illinois

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Belvidere Park District, Illinois, as of December 31, 2021, 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.

The prior year comparative information has been derived from the District's 2020 financial statements and in our report dated August 23, 2021, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. In our opinion, the prior year comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Belvidere Park District, Illinois' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Belvidere Park District, Illinois' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the supplementary financial information on pages 51 through 53 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Lucas Group CPAs + Advisors, LLC

Freeport, Illinois
August 17, 2022

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021
(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, 2021.

FINANCIAL HIGHLIGHTS

-Net position and performance in total – The District's total net position at December 31, 2021 was \$16,340,475.

-Governmental activity summary – Net position for governmental activities increased by \$734,332 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 detail on the non-major fund and additional supplementary information.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 December 31, 2021
 (Unaudited)

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

Description	GOVERNMENT-WIDE STATEMENTS	GOVERNMENTAL FUNDS STATEMENTS
Scope	Entire District government (except fiduciary funds)	Activities of the District that are not fiduciary such as culture and recreation
Required financial statements	-Statement of net position -Statement of activities	-Balance sheet -Statement of revenues, expenditures and changes in fund balances
Accounting basis	Accrual	Modified accrual
Measurement focus	Economic resources	Current financial 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
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

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, 2021
(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.

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, 2021
(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, 2021
With Comparative Totals for the Year Ended December 31, 2020

	Governmental Activities	
	2021	2020
Current and other assets	\$ 10,164,102	9,069,202
Capital assets	17,158,062	17,534,720
Total assets	27,322,164	26,603,922
Deferred outflows of Resources		
Pension items - IMRF	166,733	333,403
Total assets and deferred outflows of resources	27,488,897	26,937,325
Current and other liabilities	766,103	816,820
Long-term liabilities	5,611,990	5,936,185
Total liabilities	6,378,093	6,753,005
Deferred inflows of resources		
Deferred gain on refunding	24,259	26,464
Property taxes	3,851,324	3,843,400
Pension items - IMRF	894,746	708,313
Total liabilities and deferred inflows of resources	11,148,422	11,331,182
Net position:		
Net investment in capital assets	11,578,062	11,629,720
Restricted	1,966,721	2,026,482
Unrestricted	2,795,692	1,949,941
Total net position	\$ 16,340,475	15,606,143

For more detailed information see the Statement of Net Position.

Current Year Impacts-Net Position

Overall, the District's net position increased by \$734,332 during the year to a total of \$16,340,475. Also, current assets are \$5,546,675 higher than current liabilities and deferred inflows of resources for property taxes.

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 December 31, 2021
 (Unaudited)

Capital assets net of depreciation decreased by \$376,658. Long-term debt decreased by \$324,195 due to payments on the general obligation park bonds and alternate revenue bonds.

The total net position at December 31, 2021 was \$16,340,475. Approximately 71% of this amount is the investment in capital assets, net of the related debt. \$1,966,721 or approximately 12% is restricted for debt service and special revenue funds, which leaves approximately 17% or \$2,795,692 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, 2021
With Comparative Totals for the Year Ended December 31, 2020

	Governmental Activities	
	2021	2020
REVENUES		
Program revenues:		
Charges for services	\$ 743,828	368,621
Capital grants and contributions	18,399	9,180
Operating grants and contributions	10,951	13,589
General revenues:		
Property taxes	3,845,699	3,717,044
Other taxes	187,681	98,085
Interest	4,337	6,126
Other	205,315	63,566
Gain on disposal of capital assets	39,135	-
Total revenues	5,055,345	4,276,211
EXPENSES		
Culture & recreation:		
Personnel	1,991,670	1,183,937
Contractual services	813,785	573,103
Material & supplies	475,500	529,122
Loss on disposal of capital assets	-	9,878
Depreciation	929,200	897,623
Interest on long-term debt	110,858	235,297
Total expenses	4,321,013	3,428,960
Changes in net position	734,332	847,251
Beginning net position	15,606,143	14,758,892
Ending net position	\$ 16,340,475	15,606,143

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2021
(Unaudited)

Current Year Impacts-Changes in Net Position

Governmental Activities

Revenues:

Revenues from governmental activities total \$5,055,345 or an increase of \$779,134. Property tax was the largest source of revenues for the year at \$3,845,699. The next highest source of revenue was \$743,828 from charges and fees. The revenues from these two sources represent approximately 91% of the governmental activity revenues.

Expenses:

The District's total governmental activity expenses were \$4,321,013, an increase of \$892,053 or approximately 26%. Personnel costs including employee benefits were \$1,991,670. Personnel costs were 46% of the total expenses. Contractual services were \$813,785 or 19%, material and supplies were \$475,500 or 11%, and interest was \$110,858 or approximately 3% of the total expenses. Depreciation expense was \$929,200 or 21% of total expenses.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At December 31, 2021, the governmental funds reported a combined net fund balance of \$4,754,726, an increase of \$390,729 in all major and non-major funds from the prior year. This increase is primarily attributable to an increase in charges & fees in the recreation and special recreation funds.

Major Fund Budgetary Highlights

General Fund	Original & Final Budget	Actual	% of Total
Revenues			
Taxes	\$ 1,450,000	1,450,955	78
Intergovernmental	70,000	187,681	10
Charges & fees	13,000	10,808	1
Donations	17,000	18,374	1
Interest & other	23,726	190,301	10
Total revenues	1,573,726	1,858,119	100
Expenditures			
Personnel	941,702	893,745	60
Contractual services	458,916	396,539	27
Material & supplies	242,909	165,099	11
Capital outlay	33,785	36,607	2
Total expenditures	1,677,312	1,491,990	100
Change in fund balance	(103,586)	366,129	

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
December 31, 2021
(Unaudited)

Recreation Fund	Original & Final Budget	Actual	% of Total
Revenues			
Taxes	\$ 828,385	828,856	59
Charges & fees	861,792	576,883	41
Donations	1,000	25	0
Interest & other	18,424	8,215	1
Total revenues	1,709,601	1,413,979	100
Expenditures			
Personnel	1,260,022	1,133,311	69
Contractual services	421,413	370,532	23
Material & supplies	186,611	141,000	9
Capital outlay	3,000	714	0
Total expenditures	1,871,046	1,645,557	100
Change in fund balance	\$ (161,445)	(231,578)	

Special Recreation Fund	Original & Final Budget	Actual	% of Total
Revenues			
Taxes	\$ 267,535	267,688	63
Charges & fees	210,300	153,747	36
Interest & other	19,887	3,442	1
Total revenues	497,722	424,877	100
Expenditures			
Personnel	325,665	336,168	84
Contractual services	40,635	20,545	5
Material & supplies	88,695	45,753	11
Total expenditures	454,995	402,466	100
Change in fund balance	\$ 42,727	22,411	

Bond & Interest Fund	Final Budget	Actual	Total
Revenues			
Taxes	\$ 1,185,531	1,198,112	100
Interest & other	100	251	0
Total revenues	1,185,631	1,198,363	100
Expenditures			
Debt service:			
Principal	1,140,000	1,140,000	100
Interest	5,700	5,700	0
Total expenditures	1,145,700	1,145,700	100
Change in fund balance	\$ 39,931	52,663	

BELVIDERE PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 December 31, 2021
 (Unaudited)

Alternate Bond & Interest Fund	Original & Final Budget	Actual	% of Total
Revenues			
Interest & other	\$ 400	707	100
Total revenues	400	707	100
Expenditures			
Debt service:			
Principal	355,000	355,000	73
Interest	40,605	128,865	27
Total expenditures	395,605	483,865	100
Excess of Revenue over (under) expenditures	(395,205)	(483,158)	
Other financing sources (uses)			
GO bond proceeds	450,000	475,300	
Total other financing sources (uses)	450,000	475,300	
Change in fund balance	\$ 54,795	(7,858)	

Capital Projects Fund	Original & Final Budget	Actual	% of Total
Revenues			
Interest & other	\$ 10,300	60,418	100
Total revenues	10,300	60,418	100
Expenditures			
Contractual services	5,000	4,750	1
Capital outlay	652,000	556,766	99
Total expenditures	657,000	561,516	100
Excess of Revenue over (under) expenditures	(646,700)	(501,098)	
Other financing sources (uses)			
GO Bond proceeds	712,800	694,700	
Total other financing sources (uses)	712,800	694,700	
Change in fund balance	\$ 66,100	193,602	

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2021, the District's Governmental Funds had invested \$34,693,495 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, 2021
 (Unaudited)

Table 3
Governmental Funds
Change in Net Capital Assets

	Beginning Balance	Net Additions /Deletions	Total
Non-depreciable assets			
Land	\$ 4,640,649	-	4,640,649
Construction in progress	140,862	(140,862)	-
	<u>4,781,511</u>	<u>(140,862)</u>	<u>4,640,649</u>
Depreciable capital assets			
Land improvements	17,532,421	260,251	17,792,672
Building & building improvements	10,631,577	141,570	10,773,147
Equipment, software, & vehicles	1,433,746	53,281	1,487,027
Total capital assets being depreciated	<u>29,597,744</u>	<u>455,102</u>	<u>30,052,846</u>
Accumulated depreciation on capital assets	(16,844,535)	(690,898)	(17,535,433)
Total net capital assets	\$ 17,534,720	(376,658)	17,158,062

Long-term Debt and Liabilities

At December 31, 2021, the District owed \$5,611,990 in long-term liabilities. These liabilities consisted of \$1,170,000 in general obligation bonds, \$4,410,000 in general obligation refunding alternate revenue bonds, and \$31,990 in compensated absences. During the year ended December 31, 2021, the District issued \$1,243,845 in new debt and retired \$1,568,040 on the outstanding debt. Overall, long-term debt decreased by \$324,195. 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, 2021, the District's aggregate indebtedness was \$13,994,399 less than the statutory limit of \$19,302,206. 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, 2021, the District's general obligation debt was \$2,962,634 below this limit.

ECONOMIC FACTORS

The Belvidere Park District will realize an increase of \$52,239,146 in the Equalized Assessed Value in calendar year 2022 due to increased sale prices of existing homes, fewer foreclosures and new home construction. This increase will be offset by a decrease in the certified rate of tax collections, for a net increase in tax collections of approximately 3%. The Belvidere Park District's Equalized Assessed Value has now experienced its sixth 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. 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, 2021
(Unaudited)

The District anticipates an increase in the cost of labor as a result of annual pay increases, the level of participation in specific programs, the number of staff to maintain the properties the District owns, the cost of attracting/retaining staff in the current job climate, and cost of living increases. The District will be completing a compensation study to ensure that their rates of pay are competitive. Additionally, 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. Although it appears the peak of the COVID-19 pandemic is over, it is still having lasting effects on the District.

It is estimated in the Bond and Interest Fund, the District will collect an estimated \$1,871,316 in tax revenue, a 1% decrease for 2022, based on projected collections.

The Recreation Fund has continued to see an increase in the fund balances largely based on the success of positive enrollment numbers in its school aged child-care program offerings (after school and summer camp). The District is experiencing continued decreases in participation in other recreational programs, such as sports, post the COVID-19 peak.

The Special Recreation Fund is limited under tax caps to a tax levy of .04%. This Fund's tax collection will be decreased by \$40,329, or 15%, in 2022 because of the decrease in the certified rate allocated to this fund. This will be a struggle with participation and service offerings at an all-time high with more intakes for services. Waiting lists have been made for specific programs due to programs reaching their participation capacity.

The William Grady Pool is now permanently closed due to major mechanical issues. The District was substantially subsidizing the operations of the pool with taxing dollars as it was a community benefit. By subsidizing such a large portion of the operations, the District had to put other maintenance, development projects, and expansion/creation of certain programming on hold. The funds saved by the District since the pool closure will be reallocated to carry out identified areas of need throughout the parks, facilities, and programs. The community is engaged in the future of aquatic recreation. Based on the recommendations and support from the community, the District may need to pass a referendum in the future to fund a new aquatic feature or facility.

The District has engaged a firm to complete a comprehensive plan to guide the future of planning and capital improvements district-wide.

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 Jennifer Jacky, Executive Director, Belvidere Park District, 1006 W. Lincoln Ave., Belvidere, IL 61008.

BELVIDERE PARK DISTRICT, ILLINOIS
Statement of Net Position
December 31, 2021
With Comparative Totals for December 31, 2020

	Governmental Activities	
	2021	2020
Assets:		
Cash and cash equivalents	\$ 4,640,332	4,464,343
Taxes receivable	3,851,324	3,843,400
Other receivables	165,891	-
Due from other governments	33,667	16,738
Prepaid expenses	14,402	11,697
Capital assets:		
Non-depreciable	4,640,649	4,781,511
Depreciable, net of accumulated depreciation	12,517,413	12,753,209
Net pension asset - IMRF	1,458,486	733,024
Total assets	<u>27,322,164</u>	<u>26,603,922</u>
Deferred Outflows of Resources:		
Pension items - IMRF	166,733	333,403
Total assets and deferred outflows of resources	<u>27,488,897</u>	<u>26,937,325</u>
Liabilities:		
Accounts payable	64,571	90,338
Other payables	8,949	8,078
Accrued wages	20,802	21,109
Unearned revenue	5,244	9,256
Accrued interest payable	73,500	25,552
Unamortized bond premium	593,037	662,487
Noncurrent liabilities:		
Due within one year	1,506,990	1,526,185
Due in more than one year	4,105,000	4,410,000
Total liabilities	<u>6,378,093</u>	<u>6,753,005</u>
Deferred Inflows of Resources:		
Deferred gain on refunding	24,259	26,464
Property taxes	3,851,324	3,843,400
Pension items - IMRF	894,746	708,313
Total liabilities and deferred inflows of resources	<u>11,148,422</u>	<u>11,331,182</u>
Net Position:		
Net investment in capital assets	11,578,062	11,629,720
Restricted for:		
Debt service	272,193	227,388
Special revenue funds	1,694,528	1,799,094
Unrestricted	2,795,692	1,949,941
Total net position	<u>\$ 16,340,475</u>	<u>15,606,143</u>

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, 2021
With Comparative Totals for Year Ended December 31, 2020

	Governmental Activities	
	2021	2020
Program expenses:		
Culture & recreation:		
Personnel	\$ 1,991,670	1,183,937
Contractual services	813,785	573,103
Material & supplies	475,500	529,122
Loss on disposal of capital assets	-	9,878
Depreciation	929,200	897,623
Total culture & recreation	4,210,155	3,193,663
Interest on long-term debt	110,858	235,297
Total program expenses	4,321,013	3,428,960
Program revenues:		
Charges for services	743,828	368,621
Capital grants and contributions	18,399	9,180
Operating grants and contributions	10,951	13,589
Total program revenues	773,178	391,390
Net program expense	3,547,835	3,037,570
General revenues:		
Property taxes	3,845,699	3,717,044
Corporate replacement taxes	187,681	98,085
Interest	4,337	6,126
Other	205,315	63,566
Gain on disposal of capital assets	39,135	-
Total general revenues	4,282,167	3,884,821
Change in net position	734,332	847,251
Net position:		
Beginning	15,606,143	14,758,892
Ending	\$ 16,340,475	15,606,143

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

BELVIDERE PARK DISTRICT, ILLINOIS
Balance Sheet
Governmental Funds
December 31, 2021

	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
Assets:								
Cash & cash equivalents	\$ 1,623,333	503,189	256,885	268,574	3,619	1,568,858	415,874	4,640,332
Receivables								
Property taxes	1,490,006	846,419	227,217	1,187,316	-	-	100,366	3,851,324
Other	106,961	-	-	-	-	58,930	-	165,891
Prepaid expenses	14,402	-	-	-	-	-	-	14,402
Due from other governments	33,667	-	-	-	-	-	-	33,667
Total assets	3,268,369	1,349,608	484,102	1,455,890	3,619	1,627,788	516,240	8,705,616
Liabilities:								
Accounts payable	35,763	17,272	1,589	-	-	5,619	4,328	64,571
Other payables	8,949	-	-	-	-	-	-	8,949
Accrued wages	5,231	12,941	2,630	-	-	-	-	20,802
Unearned revenue	1,340	3,904	-	-	-	-	-	5,244
Total liabilities	51,283	34,117	4,219	-	-	5,619	4,328	99,566
Deferred Inflows of Resources:								
Property taxes	1,490,006	846,419	227,217	1,187,316	-	-	100,366	3,851,324
Total liabilities and deferred inflows of resources	1,541,289	880,536	231,436	1,187,316	-	5,619	104,694	3,950,890
Fund balances:								
Nonspendable:								
Prepaid items	14,402	-	-	-	-	-	-	14,402
Restricted								
Recreation purposes	-	469,072	-	-	-	-	-	469,072
Special recreation	-	-	252,666	-	-	-	-	252,666
Museum purposes	-	-	-	-	-	-	411,546	411,546
IMRF	70,202	-	-	-	-	-	-	70,202
Social Security	216,838	-	-	-	-	-	-	216,838
Liability Insurance	222,332	-	-	-	-	-	-	222,332
Audit purposes	3,154	-	-	-	-	-	-	3,154
Working cash	48,718	-	-	-	-	-	-	48,718
Debt service	-	-	-	268,574	3,619	-	-	272,193
Committed								
Capital Projects	-	-	-	-	-	1,622,169	-	1,622,169
Unassigned	1,151,434	-	-	-	-	-	-	1,151,434
Total fund balances	1,727,080	469,072	252,666	268,574	3,619	1,622,169	411,546	4,754,726
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,268,369	1,349,608	484,102	1,455,890	3,619	1,627,788	516,240	8,705,616

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, 2021

Fund balances of Governmental Funds	\$	4,754,726
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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	\$ 34,693,495	
Accumulated depreciation	<u>(17,535,433)</u>	17,158,062

Net pension assets are not financial resources and therefore, are not reported in the funds.	1,458,486
--	-----------

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	(1,170,000)	
GO Refunding Alternate Revenue Bonds	(4,410,000)	
Unamortized bond premium	(593,037)	
Compensated absences	(31,990)	
Accrued interest payable	<u>\$ (73,500)</u>	(6,278,527)

Certain deferred outflows and inflows of resources are not due and payable in the current period and therefore are not reported in the funds.	(24,259)
---	----------

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.	<u>(728,013)</u>
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Net position of governmental activities	\$	<u>16,340,475</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, 2021

	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	\$ 1,450,955	828,856	267,688	1,198,112	-	-	100,088	3,845,699
Corporate replacement taxes	187,681	-	-	-	-	-	-	187,681
Charges & fees	10,808	576,883	153,747	-	-	-	2,390	743,828
Donations	18,374	25	-	-	-	-	-	18,399
Interest	1,498	468	238	251	4	1,488	390	4,337
Other	188,803	7,747	3,204	-	703	58,930	75	259,462
Total revenues	1,858,119	1,413,979	424,877	1,198,363	707	60,418	102,943	5,059,406
Expenditures:								
Current:								
Culture & recreation:								
Personnel	893,745	1,133,311	336,168	-	-	-	-	2,363,224
Contractual services	396,539	370,532	20,545	-	-	4,750	94,932	887,298
Material & supplies	165,099	141,000	45,753	-	-	-	12,651	364,503
Capital outlay	36,607	714	-	-	-	556,766	-	594,087
Debt service:								
Principal	-	-	-	1,140,000	355,000	-	-	1,495,000
Interest	-	-	-	5,700	128,865	-	-	134,565
Total expenditures	1,491,990	1,645,557	402,466	1,145,700	483,865	561,516	107,583	5,838,677
Excess of revenues over (under) expenditures	366,129	(231,578)	22,411	52,663	(483,158)	(501,098)	(4,640)	(779,271)
Other financing sources (uses):								
GO bond proceeds	-	-	-	-	475,300	694,700	-	1,170,000
Total other financing sources	-	-	-	-	475,300	694,700	-	1,170,000
Net change in fund balances	366,129	(231,578)	22,411	52,663	(7,858)	193,602	(4,640)	390,729
Fund balances:								
Beginning	1,360,951	700,650	230,265	215,911	11,477	1,428,567	416,186	4,363,997
Ending	\$ 1,727,080	469,072	252,666	268,574	3,619	1,622,169	411,546	4,754,726

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, 2021

Net Change in Fund Balances - total governmental funds **\$ 390,729**

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 capitalized	\$ 556,603	
Depreciation expense	(929,200)	
Proceeds received on sale of capital assets	(43,196)	
Gain or (loss) on disposal of capital assets	<u>39,135</u>	(376,658)

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	1,140,000	
Alternate revenue bonds	<u>355,000</u>	1,495,000

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.

Bond issue proceeds		(1,170,000)
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The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities.

725,462

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

(353,103)

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	(805)	
Change in accrued interest expense	(47,948)	
Change in deferred charge on refunding	(2,205)	
Amortization of bond premium	<u>73,860</u>	<u>22,902</u>

Change in net position of governmental activities **\$ 734,332**

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

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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, 2021

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.

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.

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

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. 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.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Deferred Outflows/Inflows of Resources

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

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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.

The property tax calendar for the 2020 tax levy was as follows:

Lien Date	January 1, 2020
Levy Date	December 8, 2020
First Installment due	June 1, 2021
Second Installment due	September 1, 2021

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 2021 tax levy, which attached as an enforceable lien on property as of January 1, 2021, has been recorded as a receivable and as a deferred inflow of resources as of December 31, 2021 as the tax had been levied by the District but would not be extended or collected until calendar year 2022.

The District's 2020 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	0.16385	0.35000
Bond & Interest	0.17836	none
IMRF	0.01490	none
Audit	0.00224	0.00500
Liability Insurance	0.01415	none
Social Security	0.02086	none
Museum	0.01490	0.07000
Recreation	0.12339	0.37000
Joint Handicap Recreation	0.03985	0.04000
Total District	0.57250	

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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

L. 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.

M. 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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. 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. The general fund also reports certain restrictions 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.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

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, 2021, the District's cash was held by a local bank in demand deposit accounts with a combined book balance of \$4,640,332 and bank balance of \$4,875,001. The primary difference between book and bank balances was due to outstanding checks. Of the total bank balance, \$4,625,001 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	4,625,001
	<u>\$ 4,625,001</u>

Investment Policies

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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, 2021

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	\$	<u>1,623,333</u>
Special Revenues Funds		
Recreation		503,189
Museum		415,874
Special Recreation		<u>256,885</u>
Total Special Revenue Funds		<u>1,175,948</u>
Debt Service Funds		
Alternate Bond & Interest		3,619
Bond and Interest		<u>268,574</u>
Total Debt Service Funds		<u>272,193</u>
Capital Projects Fund		<u>1,568,858</u>
Total Pooled Cash	\$	<u><u>4,640,332</u></u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 4,640,649	-	-	4,640,649
Construction in progress	<u>140,862</u>	-	<u>(140,862)</u>	-
	4,781,511	-	<u>(140,862)</u>	4,640,649
Capital assets being depreciated:				
Land improvements	17,532,421	309,347	(49,096)	17,792,672
Building & building improvements	10,631,577	141,570	-	10,773,147
Equipment & software	893,696	140,715	(127,623)	906,788
Vehicles	<u>540,050</u>	<u>105,833</u>	<u>(65,644)</u>	580,239
Total capital assets being depreciated	<u>29,597,744</u>	<u>697,465</u>	<u>(242,363)</u>	<u>30,052,846</u>
Less accumulated depreciation for:				
Land improvements	11,090,211	551,567	(49,096)	11,592,682
Building & building improvements	4,783,554	264,480	-	5,048,034
Equipment & software	632,826	71,094	(126,830)	577,090
Vehicles	<u>337,944</u>	<u>42,059</u>	<u>(62,376)</u>	317,627
Total accumulated depreciation	<u>16,844,535</u>	<u>929,200</u>	<u>(238,302)</u>	<u>17,535,433</u>
Total capital assets being depreciated, net	<u>12,753,209</u>	<u>(231,735)</u>	<u>(4,061)</u>	<u>12,517,413</u>
Governmental activities capital assets, net	\$ <u><u>17,534,720</u></u>	<u><u>(231,735)</u></u>	<u><u>(144,923)</u></u>	<u><u>17,158,062</u></u>

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, 2021

5. LONG-TERM DEBT

The outstanding debt as of December 31, 2021 consists of the following individual amounts:

	<u>Balances 12/31/2021</u>	<u>Current Portion</u>
G.O. Refunding Park Bonds Alternate Revenue Source, series 2020; Principal due Feb. 1, 2022 through 2032; Interest due Feb. 1 and Aug. 1; interest rate of 4.0%	\$ 4,410,000	305,000
G.O. Park Bonds, series 2021 issued for Debt Service and capital projects; Principal and interest due Dec. 1, 2022; interest rate of 0.5%	1,170,000	1,170,000
Compensated absences	<u>31,990</u>	<u>31,990</u>
Total outstanding debt	\$ <u>5,611,990</u>	<u>1,506,990</u>

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

Year Ending December 31,	Park Bond Series 2021		GO Refunding Park Bonds (Alt. Rev.) Series 2020		Total Principal	Total Interest
	Principal	Interest	Principal	Interest		
2022	1,170,000	5,850	305,000	170,300	1,475,000	176,150
2023	-	-	325,000	157,700	325,000	157,700
2024	-	-	340,000	144,400	340,000	144,400
2025	-	-	365,000	130,300	365,000	130,300
2026	-	-	385,000	115,300	385,000	115,300
2027-2031	-	-	2,190,000	326,400	2,190,000	326,400
2032	-	-	500,000	10,000	500,000	10,000
Total	<u>\$ 1,170,000</u>	<u>5,850</u>	<u>4,410,000</u>	<u>1,054,400</u>	5,580,000	<u>1,060,250</u>
			Compensated absences		<u>31,990</u>	
					<u>5,611,990</u>	

During the year ended December 31, 2020, the District issued \$4,410,000 of G.O. Park Bonds (Alt. Rev. source) for an advance refunding of \$4,885,000 of the 2012A G.O. Bonds (Alt. Rev. source). The February 1, 2021 principal and interest payment on the 2012A G.O. Bonds were paid from District resources. As a result, \$4,885,000 of the 2012A refunded bonds were considered to be defeased as of December 31, 2020. Through the refunding, the District reduced its total debt service by \$270,236 and obtained an economic gain of \$252,637.

The December 31, 2021 compensated absences of \$31,990 are expected to be used/paid during 2022. Compensated absences are paid by the General, Recreation, or Special Recreation Funds.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

5. LONG-TERM DEBT (Continued)

The G.O. Refunding Bonds (Alt. Rev. source) Series 2020 will be paid from the Alternate Bond and Interest Fund (Debt Service). The G.O. Bonds Series 2021 will be paid from the Bond and Interest Fund (Debt Service).

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	New Issues	Retired	Ending Balance
G.O. Bond, Series 2021	\$ -	1,170,000	-	1,170,000
G.O. Bond, Series 2020	1,140,000	-	1,140,000	-
G.O. Refunding Bond, Series 2020	4,410,000	-	-	4,410,000
Alternate Revenue Bonds 2012A	355,000	-	355,000	-
Compensated absences	31,185	73,845	73,040	31,990
	<u>\$ 5,936,185</u>	<u>1,243,845</u>	<u>1,568,040</u>	<u>5,611,990</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 \$671,381,071. At December 31, 2021, the statutory limit for the District was \$19,302,206. The District's outstanding debt, net of assets available for bond retirements, was \$5,307,807 leaving a legal debt margin of \$13,994,399.

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, 2021, the statutory limit on non-referendum general obligation bonds was \$3,860,441. The District's outstanding debt for general obligation bonds, net of assets available for bond retirements, was \$897,807 leaving a legal debt margin of \$2,962,634.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

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, 2021

6. EMPLOYEE RETIREMENT SYSTEM (Continued)

Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Beneficiaries currently receiving benefits	21
Inactive Plan Members entitled to but not yet receiving benefits	67
Active Plan Members	<u>26</u>
Total	<u>114</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 2021 was 9.29%. For the fiscal year ended December 31, 2021, the District contributed \$107,143 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, 2021. 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, 2021:

- 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 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%.
- 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 2020 valuation pursuant to an experience study of the period 2017-2019.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020, was used.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

6. EMPLOYEE RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (Continued)

- **For Disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020, was used.
- **For Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020, was used.
- 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 12/31/2021	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	39.00%	24.89%	3.25%	1.90%
International Equities	15.00%	9.78%	4.89%	3.15%
Fixed Income	25.00%	-0.44%	-0.50%	-0.60%
Real Estate	10.00%	21.95%	4.20%	3.30%
Alternatives	10.00%	46.46%		
Private Equity		N/A	8.85%	5.50%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	2.90%	1.70%
Cash Equivalents	1.00%	2.44%	-0.90%	-0.90%

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

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 1.84%, 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, 2021 were as follows:

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability (Asset)
Balance, December 31, 2020	\$ 5,681,579	\$ 6,414,603	\$ (733,024)
Changes for the year:			
Service Cost	112,525	-	112,525
Interest	405,969	-	405,969
Difference between expected and actual experience	46,548	-	46,548
Changes of assumptions	-	-	-
Contributions - employees	-	53,288	(53,288)
Contributions - employer	-	107,143	(107,143)
Net investment income	-	1,061,433	(1,061,433)
Benefit payments including refunds of Employee Contributions	(276,528)	(276,528)	-
Other (Net Transfer)	-	68,640	(68,640)
Net Changes	288,514	1,013,976	(725,462)
Balance, December 31, 2021	<u>\$ 5,970,093</u>	<u>\$ 7,428,579</u>	<u>\$ (1,458,486)</u>

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

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	\$ 6,651,377	\$ 5,970,093	\$ 5,440,617
Plan Fiduciary Net Position	7,428,579	7,428,579	7,428,579
Net Pension Liability/(Asset)	<u>\$ (777,202)</u>	<u>\$ (1,458,486)</u>	<u>\$ (1,987,962)</u>

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

For the year ended December 31, 2021, the District realized negative pension expense of (\$265,216). At December 31, 2021, 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	\$ 50,180	\$ 14,801	\$ 35,379
Changes of assumptions	6,213	16,025	(9,812)
Net difference between projected and actual earnings on plan investments	110,340	863,920	(753,580)
Total	<u>\$ 166,733</u>	<u>\$ 894,746</u>	<u>\$ (728,013)</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
2022	\$ (153,511)
2023	(269,518)
2024	(185,365)
2025	(119,619)
2026	-
Thereafter	-
Total	<u>\$ (728,013)</u>

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

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, 2021.

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, 2021, the following table shows a summary of the activity associated with these tax levies:

	IMRF	Social Security	Liability Insurance	Audit	Working Cash
Beginning equity	\$ 66,095	155,492	174,842	6,856	48,718
Revenues	110,088	194,337	101,411	15,048	-
Expenditures	(105,981)	(132,991)	(53,921)	(18,750)	-
Excess covered by General Fund	-	-	-	-	-
Ending equity	\$ 70,202	216,838	222,332	3,154	48,718

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, 2021 through December 31, 2021:

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

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/occurrence/all members Declaration 11	PDRMA	P070120
Flood/except Zones A & V	\$1,000	\$1,000,000	\$100,000,000/occurrence/annual aggregate	Reinsurers:	
Flood, Zones A & V	\$1,000	\$1,000,000	\$50,000,000/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		
Tax Revenue Interruption	\$1,000	\$1,000,000	\$3,000,000/reported values \$1,000,000/non-reported values		
Business Interruption, Rental Income	\$1,000		\$100,000,000/reported values \$500,000/\$2,500,000/non-reported values		
Off Premises Service Interruption	24 hours	N/A	\$25,000,000 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 Other sub-limits apply - refer to coverage document	Indemnity Co. of Illinois	BME10525L478
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.	03-156-74-13
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	WC010121
				Government Entities Mutual (GEM)	GEM-0003-A21001
				Safety National	SP4064239
<u>3. Liability</u>					
General	None	\$500,000	\$21,500,000/occurrence	PDRMA	L010121
Auto Liability	None	\$500,000	\$21,500,000/occurrence	Reinsurers:	GEM-0003-
Employment Practices	None	\$500,000	\$21,500,000/occurrence	GEM	A21001
Public Officials' Liability	None	\$500,000	\$21,500,000/occurrence	Genesis	C501
Law Enforcement Liability	None	\$500,000	\$21,500,000/occurrence	AWAC	0312-6656
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/occurrence		
Communicable Disease	\$1,000/\$5,000	\$5,000,000	\$250,000/claim/aggregate; \$5M aggregate all members		
<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>					
Outbreak suspension	24 hours	N/A	\$1 million aggregate policy limit \$5,000/\$25,000/day all locations \$150,000/\$500,000 aggregate	Self-insured	OB010121
Workplace violence suspension	24 hours	N/A	\$15,000/day all locations 5 day max		
Fungus suspension	24 hours	N/A	\$15,000/day all locations 5 day max		

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

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>					
Breach Response	\$1,000	\$100,000	\$2,000,000/occurrence/annual aggregate	Beazley Lloyds Syndicate AFB 2623/623 through the PEPiP program	PH1833938
Business Interruption	8 hours	\$100,000	\$2,000,000/occurrence/annual aggregate		
Business Interruption due to System Failure	8 hours	\$100,000	\$250,000/occurrence/annual aggregate		
Dependent Business Loss	8 hours	\$100,000	\$2,000,000/occurrence/annual aggregate		
Liability	\$1,000	\$100,000	\$2,000,000/occurrence/annual aggregate		
eCrime	\$1,000	\$100,000	\$50,000/occurrence/annual aggregate		
Criminal Reward	\$1,000	\$100,000	\$50,000/occurrence/annual aggregate		
<u>7. Deadly Weapon Response</u>					
Liability	\$1,000	\$9,000	\$500,000 per occ/\$2,500,000 annual agg. for all members	Underwritten at Lloyds of London	PJ1900050
First Party Property	\$1,000	\$9,000	\$250,000 per occ. as part of overall limit		
Crisis Mgmt. Services	\$1,000	\$9,000	\$250,000 per occ. as part of overall limit		
Counseling/Funeral Expenses	\$1,000	\$9,000	\$250,000 per occ. as part of overall limit		
Medical Expenses	\$1,000	\$9,000	\$25,000 per person/\$500,000 annual agg. as part of overall limit		
AD&D	\$1,000	\$9,000	\$50,000 per person/\$500,000 annual agg. as part of overall limit		
<u>8. 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.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

9. RISK MANAGEMENT COOPERATIVE (Continued)

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.

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, 2020 and the statement of revenues and expenses for the period ending December 31, 2020. The Belvidere Park District's portion of the overall equity pool is 0.123% or \$69,807.

Assets	\$76,433,761
Deferred Outflows of Resources – Pension	\$1,015,561
Liabilities	\$19,892,387
Deferred Inflows of Resources – Pension	\$798,816
Total Net Position	\$56,758,119
Operating Revenues	\$19,454,155
Non-operating Revenues	\$4,109,196
Expenditures	\$16,158,333

Since 89.98% 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. FINANCIAL IMPACT OF COVID-19

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, and the pandemic resulted in significant economic disruption during the year ended December 31, 2020, as charges and fees decreased by approximately 64% from 2019. Management believes the District has taken appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2021.

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2021

11. SUBSEQUENT EVENTS

The District has evaluated subsequent events through August 17, 2022, which was the date that these financial statements were available for issuance. In May 2022, management and the Board of Commissioners made the decision to permanently close the William Grady Pool.

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)

	2021	2020	2019	2018	2017	2016	2015	2014
Calendar year ending December 31,								
Total Pension Liability								
Service Cost	\$ 112,525	\$ 116,470	\$ 118,608	\$ 114,669	\$ 115,795	\$ 112,763	\$ 107,406	\$ 121,215
Interest on the Total Pension Liability	405,969	387,278	378,351	355,012	327,696	309,271	283,321	261,922
Benefit Changes	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	46,548	59,994	(144,023)	66,233	196,166	(69,952)	42,667	(106,115)
Assumption Changes	-	(50,265)	-	146,665	(126,138)	(5,435)	5,382	93,553
Benefit Payments and Refunds	(276,528)	(230,854)	(226,634)	(172,165)	(125,336)	(90,643)	(89,275)	(67,405)
Net Change in Total Pension Liability	288,514	282,623	126,302	510,414	388,183	256,004	349,501	303,170
Total Pension Liability - Beginning	5,681,579	5,398,956	5,272,654	4,762,240	4,374,057	4,118,053	3,768,552	3,465,382
Total Pension Liability - Ending (a)	\$ 5,970,093	\$ 5,681,579	\$ 5,398,956	\$ 5,272,654	\$ 4,762,240	\$ 4,374,057	\$ 4,118,053	\$ 3,768,552
Plan Fiduciary Net Position								
Employer Contributions	\$ 107,143	\$ 123,601	\$ 102,715	\$ 116,621	\$ 112,287	\$ 110,879	\$ 114,211	\$ 101,298
Employee Contributions	53,288	54,370	53,274	58,751	54,450	52,912	52,247	47,553
Pension Plan Net Investment Income	1,061,433	720,222	785,716	(210,731)	609,709	249,909	17,960	201,524
Benefit Payments and Refunds	(276,528)	(230,854)	(226,634)	(172,165)	(125,336)	(90,643)	(89,275)	(67,405)
Other (Net Transfer)	68,640	641,964	14,487	77,114	(36,529)	4,375	(84,461)	7,538
Net Change in Plan Fiduciary Net Position	1,013,976	1,309,303	729,558	(130,410)	614,581	327,432	10,682	290,508
Plan Fiduciary Net Position - Beginning	6,414,603	5,105,300	4,375,742	4,506,152	3,891,571	3,564,139	3,553,457	3,262,949
Plan Fiduciary Net Position - Ending (b)	\$ 7,428,579	\$ 6,414,603	\$ 5,105,300	\$ 4,375,742	\$ 4,506,152	\$ 3,891,571	\$ 3,564,139	\$ 3,553,457
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ (1,458,486)	\$ (733,024)	\$ 293,656	\$ 896,912	\$ 256,088	\$ 482,486	\$ 553,914	\$ 215,095
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	124.43%	112.90%	94.56%	82.99%	94.62%	88.97%	86.55%	94.29%
Covered Valuation Payroll	\$ 1,129,465	\$ 1,208,226	\$ 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	-129.13%	-60.67%	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
2021	\$ 104,927	\$ 107,143	\$ (2,216)	\$ 1,129,465	9.49%
2020	123,602	123,601	1	1,208,226	10.23%
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, 2021**

**Illinois Municipal Retirement Fund
Summary of Actuarial Methods and Assumptions
Used in the Calculation of the 2021 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 2021 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): 22-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 17 years for most employers (five employers were financed over 18 years; one employer was financed over 19 years; two employers were financed over 20 years; three employers were financed over 26 years; four employers were financed over 27 years; and one employer was financed over 28 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	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
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, 2019 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, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
Property taxes	\$ 1,450,000	1,450,955	955	1,325,550
Corporate replacement taxes	70,000	187,681	117,681	98,085
Charges and fees	13,000	10,808	(2,192)	-
Donations	17,000	18,374	1,374	9,280
Interest	2,800	1,498	(1,302)	1,685
Other	20,926	188,803	167,877	42,647
Total revenues	<u>1,573,726</u>	<u>1,858,119</u>	<u>284,393</u>	<u>1,477,247</u>
Expenditures:				
Current:				
Culture & recreation:				
Personnel	941,702	893,745	47,957	822,473
Contractual services	458,916	396,539	62,377	361,102
Material & supplies	242,909	165,099	77,810	149,112
Capital outlay	<u>33,785</u>	<u>36,607</u>	<u>(2,822)</u>	<u>13,354</u>
Total expenditures	<u>1,677,312</u>	<u>1,491,990</u>	<u>185,322</u>	<u>1,346,041</u>
Net change in fund balance	<u>\$ (103,586)</u>	366,129	<u>469,715</u>	131,206
Fund balance:				
Beginning		<u>1,360,951</u>		<u>1,229,745</u>
Ending		<u>\$ 1,727,080</u>		<u>1,360,951</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, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 828,385	828,856	471	881,720
Charges & fees	861,792	576,883	(284,909)	322,502
Donations	1,000	25	(975)	-
Interest	1,000	468	(532)	901
Other	17,424	7,747	(9,677)	7,000
Total revenues	1,709,601	1,413,979	(295,622)	1,212,123
Expenditures:				
Current:				
Culture & recreation:				
Personnel	1,260,022	1,133,311	126,711	914,333
Contractual services	421,413	370,532	50,881	162,004
Material & supplies	186,611	141,000	45,611	120,348
Capital outlay	3,000	714	2,286	1,203
Total expenditures	1,871,046	1,645,557	225,489	1,197,888
Net change in fund balance	<u>(161,445)</u>	(231,578)	<u>(70,133)</u>	14,235
Fund balance:				
Beginning		700,650		686,415
Ending		\$ <u>469,072</u>		<u>700,650</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, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 267,535	267,688	153	255,647
Charges & fees	210,300	153,747	(56,553)	45,104
Interest	200	238	38	275
Other	19,687	3,204	(16,483)	8,288
Total revenues	497,722	424,877	(72,845)	309,314
Expenditures:				
Current:				
Culture & recreation:				
Personnel	325,665	336,168	(10,503)	231,072
Contractual	40,635	20,545	20,090	17,705
Material & supplies	88,695	45,753	42,942	40,317
Total expenditures	454,995	402,466	52,529	289,094
Net change in fund balance	\$ 42,727	22,411	(20,316)	20,220
Fund balance:				
Beginning		230,255		210,035
Ending		\$ 252,666		230,255

BELVIDERE PARK DISTRICT, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

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, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 1,185,531	1,198,112	12,581	1,154,503
Interest	100	251	151	244
Total revenues	<u>1,185,631</u>	<u>1,198,363</u>	<u>12,732</u>	<u>1,154,747</u>
Expenditures:				
Debt service:				
Principal	1,140,000	1,140,000	-	1,100,000
Interest	<u>5,700</u>	<u>5,700</u>	<u>-</u>	<u>19,250</u>
Total expenditures	<u>1,145,700</u>	<u>1,145,700</u>	<u>-</u>	<u>1,119,250</u>
Net change in fund balance	\$ <u>39,931</u>	52,663	<u>12,732</u>	35,497
Fund balance:				
Beginning		<u>215,911</u>		<u>180,414</u>
Ending		\$ <u>268,574</u>		<u>215,911</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, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Interest	\$ 400	4	(396)	572
Other	-	703	703	-
Total revenues	400	707	307	572
Expenditures:				
Debt Service:				
Principal payments	355,000	355,000	-	1,350,000
Interest payments	40,605	128,865	(88,260)	167,525
Bond issue costs	-	-	-	113,797
Total expenditures	395,605	483,865	(88,260)	1,631,322
Excess of revenues over (under) expenditures	(395,205)	(483,158)	(87,953)	(1,630,750)
Other financing sources (uses):				
GO bond proceeds	450,000	475,300	25,300	605,000
Payment to refunded bond escrow agent	-	-	-	(4,953,813)
Premium on bond issuance	-	-	-	662,487
Refunding bond proceeds	-	-	-	4,410,000
Total other financing sources	450,000	475,300	25,300	723,674
Net change in fund balance	\$ 54,795	(7,858)	(62,653)	(907,076)
Fund balance:				
Beginning		11,477		918,553
Ending		\$ 3,619		11,477

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, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Interest	300	1,488	1,188	1,968
Other	10,000	58,930	48,930	34,419
Total revenues	10,300	60,418	50,118	36,387
Expenditures:				
Current:				
Culture & recreation:				
Contractual services	5,000	4,750	250	1,150
Capital outlay	652,000	556,766	95,234	896,029
Total expenditures	657,000	561,516	95,484	897,179
Excess of revenues over (under) expenditures	(646,700)	(501,098)	145,602	(860,792)
Other financing sources (uses):				
GO bond proceeds	712,800	694,700	(18,100)	535,000
Total other financing sources	712,800	694,700	(18,100)	535,000
Net change in fund balance	\$ 66,100	193,602	127,502	(325,792)
Fund balance:				
Beginning		1,428,567		1,754,359
Ending		\$ 1,622,169		1,428,567

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

For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	2021			2020
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Property taxes	\$ 100,000	100,088	88	99,624
Charges & fees	6,000	2,390	(3,610)	1,015
Interest	100	390	290	481
Other	-	75	75	-
Total revenues	<u>106,100</u>	<u>102,943</u>	<u>(3,157)</u>	<u>101,120</u>
Expenditures:				
Current:				
Culture & recreation:				
Personnel	1,080	-	1,080	11,010
Contractual services	173,200	94,932	78,268	25,936
Material & supplies	<u>30,755</u>	<u>12,651</u>	<u>18,104</u>	<u>11,087</u>
Total expenditures	<u>205,035</u>	<u>107,583</u>	<u>97,452</u>	<u>48,033</u>
Net change in fund balance	<u><u>\$ (98,935)</u></u>	<u>(4,640)</u>	<u><u>94,295</u></u>	<u>53,087</u>
Fund balance:				
Beginning		<u>416,186</u>		<u>363,099</u>
Ending		<u><u>\$ 411,546</u></u>		<u><u>416,186</u></u>

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

	Tax Years		
	2020	2019	2018
Rate Setting Assessed Valuation	\$ 671,381,071	641,859,589	612,647,631
Tax rates:			
General	0.16385	0.15269	0.15181
Recreation	0.12339	0.13789	0.14528
Museum	0.01490	0.01558	0.01388
Social Security	0.02086	0.02188	0.02624
IMRF	0.01490	0.01636	0.01714
Liability	0.01415	0.01403	0.01225
Audit	0.00224	0.00234	0.00245
Joint Handicap Rec.	0.03985	0.03998	0.04000
Bond & Interest	0.17836	0.18055	0.36618
	0.57250	0.58130	0.77523
Tax extensions:			
General Fund	1,100,058	980,055	930,060
Recreation Fund	828,417	885,060	890,054
Museum Fund	100,036	100,002	85,035
Social Security	140,050	140,439	160,759
IMRF	100,036	105,008	105,008
Liability Fund	95,000	90,053	75,049
Audit Fund	15,039	15,020	15,010
Joint Handicap Rec.	267,545	256,615	245,059
Bond & Interest	1,197,475	1,158,877	2,243,393
	3,843,657	3,731,130	4,749,428
Tax Collections:			
General Fund	1,100,643	976,352	928,569
Recreation Fund	828,856	881,720	888,624
Museum Fund	100,088	99,624	84,897
Social Security	140,126	139,910	160,501
IMRF	100,088	104,612	104,841
Liability Fund	95,050	89,715	74,930
Audit Fund	15,048	14,961	14,984
Joint Handicap Rec.	267,688	255,647	244,668
Bond & Interest	1,198,112	1,154,503	2,239,791
	\$ 3,845,699	3,717,044	4,741,805
Percent Collected	100.1%	99.6%	99.8%

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Legal Debt Margin
December 31, 2021

	2021 <u>for tax year 2020</u>	2020 <u>for tax year 2019</u>
Assessed Valuations	\$ <u>671,381,071</u>	<u>641,859,589</u>
Statutory Debt Limitation (2.875% of Assessed Valuation)	<u>19,302,206</u>	<u>18,453,463</u>
Amount of debt applicable to debt limit:		
General obligation bonds	1,170,000	1,140,000
General obligation alternate revenue bonds	<u>4,410,000</u>	<u>4,765,000</u>
Total debt applicable to limit	5,580,000	5,905,000
Less: assets in debt service funds available for payment on debt	<u>272,193</u>	<u>227,388</u>
Net debt applicable to limit	<u>5,307,807</u>	<u>5,677,612</u>
Legal debt margin	\$ <u><u>13,994,399</u></u>	<u><u>12,775,851</u></u>

BELVIDERE PARK DISTRICT, ILLINOIS
Schedule of Non-Referendum Bond Debt Margin
December 31, 2021

	2021 <u>for tax year 2020</u>	2020 <u>for tax year 2019</u>
Assessed Valuations	\$ <u>671,381,071</u>	<u>641,859,589</u>
Statutory Debt Limitation (0.575 % of Assessed Valuation)	<u>3,860,441</u>	<u>3,690,693</u>
Amount of debt applicable to debt limit: General obligation bonds	<u>1,170,000</u>	<u>1,140,000</u>
Total debt applicable to limit	1,170,000	1,140,000
Less: assets in debt service funds available for payment on debt	<u>272,193</u>	<u>227,388</u>
Net debt applicable to limit	<u>897,807</u>	<u>912,612</u>
Legal debt margin	\$ <u><u>2,962,634</u></u>	<u><u>2,778,081</u></u>