

**MARION PARK DISTRICT
MARION, ILLINOIS
ANNUAL FINANCIAL REPORT
JUNE 30, 2021**

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**MARION PARK DISTRICT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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**MARION PARK DISTRICT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Marion Park District
Marion, Illinois

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Marion Park District as of and for the year ended June 30, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Marion Park District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10; and a budgetary comparison schedule of the General Fund, information concerning the District's progress in funding its obligation to providing pension benefits to its employees, a schedule of changes in the net pension liability and related ratios and a schedule of employer contributions on 35 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Marion Park District's basic financial statements. The statistical section is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statistical section 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 my opinion, the statistical section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Sarah Gibbens, CPA

Sarah Gibbens

Johnston City, Illinois
January 13, 2022

**MARION PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Management's Discussion and Analysis provides an overview of the Marion Park District's (the District) financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the District's financial statements which begin on page 11.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$849,407 (net position).
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$462,178.
- Revenues totaled \$1,109,997 for the District's governmental funds. Total revenues exceeded the expenditures by \$47,009.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$462,178, or 43% of the total general fund expenditures.
- The District's total long-term debt decreased by \$74,500 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents information on the District's assets, deferred outflows, liabilities and deferred inflows. The difference between the assets and deferred outflows and the liabilities and deferred inflows is the District's net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**MARION PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021**

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from the functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The business-type activity of the District is an aquatic center.

The government-wide financial statements can be found on pages 11 through 12 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

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

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

The District maintains one individual governmental fund, the General Fund.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13 and 16 of this report.

Proprietary funds. The District maintains one proprietary fund (also called Enterprise Funds), the Swimming Pool Fund. Enterprise Funds are presented as business-type activities in the government-wide financial statements. The basic proprietary fund statements can be found on pages 17 through 19 of this report.

**MARION PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021**

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District maintains no fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 20-34 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information includes a budgetary comparison schedule of the General Fund, information concerning the District's progress in funding its obligation to providing pension benefits to its employees, a schedule of changes in the net pension liability and related ratios and a schedule of employer contributions. Required supplementary information can be found on pages 35-39 of this report.

The other supplementary schedules contain statistical information about the legal debt margin calculations and assessed valuations, tax rates; taxes extended and collected information about the property tax funding system. Statistical information is presented on pages 40-41.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$849,407 at the close of the most recent fiscal year.

The largest portion of the District's net position reflects its investment in capital assets (e.g. land, land improvements, building, machinery, vehicles and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**MARION PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021**

The following table reflects the condensed statement of net position:

Marion Park District's Net Position (in thousands)

As of June 30, 2021, and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2019
Current and Other Assets	\$ 1,599	\$ 1,515	\$ 35	\$ 6	\$ 1,634	\$ 1,521
Capital Assets	1,300	1,255	16	24	1,316	1,279
Total Assets	2,899	2,770	51	30	2,950	2,800
Total Deferred Outflows	100	143	-	-	100	143
Current Liabilities	121	128	10	-	131	128
Noncurrent Liabilities	828	987	-	-	828	987
Total Liabilities	949	1,115	10	-	959	1,115
Total Deferred Inflows	1,242	1,154	-	-	1,242	1,154
Net Position:						
Invested in Capital Assets, net of related debt	529	411	16	24	545	435
Unrestricted	279	233	25	6	304	239
Total Net Position	\$ 808	\$ 644	\$ 41	\$ 30	\$ 849	\$ 674

**MARION PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021**

The following table reflects the condensed revenues and expenses of the District's activities:

Marion Park District's Change in Net Position (in thousands)

Years Ended June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 20	\$ 18	\$ 14	\$ 17	\$ 34	\$ 35
General Revenues						
Property Taxes	1,008	937	-	-	1,008	937
Replacement Taxes	33	24	-	-	33	24
Interest Income	1	3	-	-	1	3
Concession Sales	-	-	4	2	4	2
Miscellaneous	19	16	-	-	19	16
Contributions, property and equipment	29	65	-	-	29	65
Transfers	(35)	(18)	35	18	-	-
Total Revenues	1,075	1,045	53	37	1,128	1,082
Expenses:						
General Government	(387)	(349)	-	-	(387)	(349)
Recreation	(649)	(561)	-	-	(649)	(561)
Interest on Debt	(22)	(22)	-	-	(22)	(22)
Aquatic Center	-	-	(43)	(78)	(43)	(78)
Total Expenses	(1,058)	(932)	(43)	(78)	(1,101)	(1,010)
Change in Net Position	17	113	10	(41)	27	72
Beginning Net Position	643	530	31	72	674	602
Prior Year Adjustment	149	-	-	-	149	-
Ending Net Position	\$ 809	\$ 643	\$ 41	\$ 31	\$ 850	\$ 674

The net position of the District increased \$27,449 in the fiscal year.

**MARION PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021**

Revenues

Revenues for the District are generated from a number of different sources. The majority of revenue is derived from property taxes, which account for 89% of the District's operating revenue. Property taxes are a stable source of revenues, not dependent on economic trends and fluctuations. The District's charges for services come mainly from, but are not limited to, the aquatic center.

Expenses

The industry norm for personnel costs (salary, wages and fringe benefits) is approximately 50% to 60% of a District's total expenses. This year the percentage for the District is 56%. Payroll expense increased by 3% in 2021.

Financial Analysis of the District's Funds

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

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

The General Fund is the operating fund of the District. At the end of the current fiscal year, total fund balance was \$279,170 and is unrestricted. This increase in fund balance is partly due to an increase in property taxes. The unrestricted fund balance of \$270,170 represents a positive amount of total General Fund revenue over expenditures.

General Fund Budgetary Highlights

The District staff develops a working budget prior to the beginning of each fiscal year. This working budget is based on District goals of what programs to fund, capital projects and purchases desired, program fee structures, estimates of State revenues and grants availability, historical operating expenses and desired cash reserves and fund balance. The working budget is presented to the Board of Commissioners. The District staff use this budget to guide operations throughout the fiscal year.

**MARION PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021**

General Fund Budgetary Highlights (continued)

The legal spending limits of the District, as well as most municipal governments, are set by the appropriation budget. The appropriation budget is also developed by District staff, taking into account the maximum acceptable spending for operations and other possible contingencies. The appropriation budget is passed via ordinance of the Board of Commissioners in accordance with State statutes. The Board may vote to transfer appropriated amounts between departments or line items as needed during the year. However, there are very few remedies, as described in State statutes, if the total appropriation amount needs to be raised or lowered.

During the fiscal year 2021 there was changes in overall appropriation amounts between the original and final appropriation budget.

In the General Fund, the District under spent \$213,000 of the total \$1,300,000 budgeted and received \$231,000 less in revenues than budgeted. General government expenses in the General Fund were \$184,000 under budget. Recreation expenses were \$103,000 under budget. Capital expenditures were \$41,000 over budget. There were no changes in department structure from the prior year.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$1,299,438 (net of accumulated depreciation). This investment in capital assets includes land, park improvements, recreation equipment, buildings, vehicles, office equipment, safety and security equipment, and maintenance equipment. This amount represents a net increase (including additions and deductions) of just over \$84,000 over last year. The following statement of capital assets, net of depreciation, lists the capital assets for the government activities.

Net Capital Assets as of June 30, 2021 and 2020

	Governmental activities	
	<u>2021</u>	<u>2020</u>
Land	\$ 147,277	\$ 147,277
Park improvements	198,385	767,018
Buildings	133,490	146,416
Vehicles	85,882	46,359
Equipment	<u>734,404</u>	<u>107,566</u>
	<u>\$1,299,438</u>	<u>\$1,214,636</u>

Additional information about the District's capital assets can be found in Note 2 in the Notes to Financial Statements section of this report.

**MARION PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
JUNE 30, 2021**

Long-term debt. At the end of the current fiscal year, the District had debt outstanding of 770,000 with a 18-year payback schedule. The district also has \$21,827 of compensated absences payable and a pension liability in the amount of \$100,955.

The District's total debt decreased by \$75,000 during the current fiscal year. Additional information about the District's long-term debt can be found in Notes 3, 4 and 5 in the Notes to Financial Statements section of this report.

Economic Factors and Next Year's Budgets and Rates

The equalized assessed value (EAV) of taxable property in the District for 2020 levy year was \$354,324,716 which represents one-third of market value. Residential and commercial properties represent 97% of the EAV for the 2020 levy year. The assessed value increased 3% from 2019. In the past 5 years the District's assessed valuation has increased by 10%.

In a good economy, the assessed valuation increases each year, helping to offset the property tax cap limits imposed by the Property Tax Extension Limitation Law. This law limits the increase in the District's annual property tax levy to the lesser of 5% or the increase in the national Consumer Price Index, plus any new or improved property within the District boundaries. Property taxes account for approximately 89% of the District's operating revenues. The District does not receive any state or local sales tax.

The focus for budget year 2021-2022 will be continuing the steps in implementing the District's strategic plan, along with ensuring that with the current economic conditions, we are fiscally prudent in projecting revenue, and that budgeted expenses are conservative. The intent of the budget is to maintain our current level of standards and service, while taking a critical look at existing services in regard to trends, redundancy, efficiencies, and cost. Staff have made a recommitment to core programs and services, making sure that tax dollars are being spent where the need is greatest.

There are currently no known contingencies that would force a major change in the District's budgeting, spending, or taxation.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Marion Park District, 519 Parish Avenue, Marion, Illinois 62959.

BASIC FINANCIAL STATEMENTS

**MARION PARK DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 485,569	\$ 35,031	\$ 520,600
Receivables, net:			
Property tax	1,055,250	-	1,055,250
Replacement tax	6,206	-	6,206
Other	-	-	-
Prepays	52,238	-	52,238
Total Current Assets	<u>1,599,263</u>	<u>35,031</u>	<u>1,634,294</u>
Non-Current Assets			
Capital assets, non-depreciable	147,277	-	147,277
Capital assets, net of accumulated depreciation	1,152,161	15,558	1,167,719
Total Non-Current Assets	<u>1,299,438</u>	<u>15,558</u>	<u>1,314,996</u>
TOTAL ASSETS	<u>2,898,701</u>	<u>50,589</u>	<u>2,949,290</u>
DEFERRED OUTFLOWS			
Deferred outflows for pension expense	100,411	-	100,411
LIABILITIES			
Current Liabilities			
Accounts payable	13,807	9,734	23,541
Accrued payroll	30,832	-	30,832
Accrued vacation payable	21,827	-	21,827
Accrued expenses	11,571	56	11,627
Bonds Payable - Current portion	43,000	-	43,000
Total Current Liabilities	<u>121,037</u>	<u>9,790</u>	<u>130,827</u>
Non-Current Liabilities			
Bonds Payable - Long-Term Portion	727,000	-	727,000
Net Pension Liability	100,955	-	100,955
Total Non-Current Liabilities	<u>827,955</u>	<u>-</u>	<u>827,955</u>
TOTAL LIABILITIES	<u>948,992</u>	<u>9,790</u>	<u>958,782</u>
DEFERRED INFLOWS			
Pension	182,464	-	182,464
Unavailable property taxes	1,059,048	-	1,059,048
TOTAL DEFERRED INFLOWS	<u>1,241,512</u>	<u>-</u>	<u>1,241,512</u>
NET POSITION			
Investments in capital assets	529,438	15,558	544,996
Unrestricted	279,170	25,241	304,411
TOTAL NET POSITION	<u>\$ 808,608</u>	<u>\$ 40,799</u>	<u>\$ 849,407</u>

**MARION PARK DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities						
General government	\$ 386,750	\$ 5,000	\$ -	\$ (381,750)	\$ -	\$ (381,750)
Recreation	649,017	-	24,015	(604,576)	-	(604,576)
Interest on debt Service	21,539	-	-	(21,539)	-	(21,539)
Total governmental activities	1,057,306	5,000	24,015	(1,007,865)	-	(1,007,865)
Business-type activities:						
Swimming Pool	43,311	-	-	-	(29,359)	(29,359)
Total business-type activities	43,311	-	-	-	(29,359)	(29,359)
Totals	\$ 1,100,617	\$ 5,000	\$ 24,015	\$ (1,007,865)	\$ (29,359)	\$ (1,037,224)
General Revenues						
Taxes:						
Property Taxes				1,008,437	-	1,008,437
Replacement Taxes				33,175	-	33,175
Concession Sales				-	3,704	3,704
Interest Income				580	5	585
Miscellaneous				18,364	408	18,772
Transfers				(35,700)	35,700	-
Total General Revenue				1,024,856	39,817	1,064,673
Change in Net Position				16,991	10,458	27,449
Net Position, Beginning of Year				643,362	30,487	673,849
Prior Year Adjustment				148,255	(146)	148,109
Net Position, End of Year				\$ 808,608	\$ 40,799	\$ 849,407

See accompanying notes to financial statements.

**MARION PARK DISTRICT
GOVERNMENTAL FUND
BALANCE SHEET
JUNE 30, 2021**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 485,569
Receivables	
Property taxes	1,055,250
Replacement Tax	6,206
Other	-
Prepays	52,238
Due from Pool Fund	-
	<u>1,599,263</u>
TOTAL ASSETS	
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows for pension	-
	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,599,263</u>
LIABILITIES	
Accounts payable	13,807
Accrued payroll	30,832
Accrued vacation payable	21,827
Accrued expenses	11,571
	<u>78,037</u>
TOTAL LIABILITIES	
DEFERRED INFLOWS OF RESOURCES	
Unavailable taxes	1,059,048
Total Deferred Inflows	<u>1,059,048</u>
FUND BALANCE	
Non-Spendable	52,238
Assigned	31,548
Unassigned fund balance	378,392
Total Fund Balance	<u>462,178</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,599,263</u>

See accompanying notes to financial statements.

**MARION PARK DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES TO
THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Fund balances of Governmental funds	\$ 462,178
Amounts Reported for Governmental Activities in the Statement of Net Position are different because:	
Capital Assets used in Governmental Activities are not Current Financial Resources and, therefore, are not reported in the Governmental Funds.	1,299,438
Long-term Liabilities, including bonds and pension that are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.	<u>(953,008)</u>
Net Position of Governmental Activities	<u>\$ 808,608</u>

**MARION PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund
REVENUES	
Property Taxes	\$ 1,008,437
Replacement Taxes	33,175
Contributions	29,015
Interest	580
Rent	20,426
Non-Government Grant Income	-
Miscellaneous	18,364
	1,109,997
EXPENDITURES	
General Government	419,594
Recreation	472,735
Debt Service:	
Principal	74,500
Interest and other charges	21,539
Capital outlay	74,620
	1,062,988
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	47,009
OTHER FINANCING SOURCES (USES)	
Proceeds from Debt	-
Transfers Out	(35,700)
	(35,700)
NET OTHER FINANCING SOURCES (USES)	(35,700)
NET CHANGE IN FUND BALANCE	11,309
FUND BALANCE, BEGINNING OF YEAR	450,869
FUND BALANCE, END OF YEAR	\$ 462,178

See accompanying notes to financial statements.

**MARION PARK DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net change in Fund Balance, Total Governmental Funds	\$	11,309
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		74,620
The increase/decrease in long-term pension liability is reported in the Government-Wide Statement of Activities and changes in Net Position, but they do not provide current financial resources. Therefore, increases in pension liability are not reported as expenses in governmental funds.		35,115
Bond proceed provide current financial resources to government funds, but issuing debt increases long-term liabilities in the statement of net assets. The repayment of long-term debt is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceed exceeded repayments		74,500
Depreciation expense on capital assets is reported in the Government- Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Funds.		<u>(178,553)</u>
Change in Net Position of Governmental Activities	\$	<u>16,991</u>

**MARION PARK DISTRICT
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

	<u>Swimming Pool Fund</u>
ASSETS	
Cash and cash equivalents	\$ 35,031
Receivables	-
Total current assets	<u>35,031</u>
Capital assets, net of accumulated depreciation	<u>15,558</u>
TOTAL ASSETS	<u><u>\$ 50,589</u></u>
DEFERRED OUTFLOWS OF RESOURCES	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 50,589</u></u>
LIABILITIES	
Accounts payable	9,734
Accrued payroll	-
Accrued expenses	56
Due to general fund	-
TOTAL LIABILITIES	<u>9,790</u>
DEFERRED INFLOWS OF RESOURCES	-
NET POSITION	
Unrestricted	<u>40,799</u>
TOTAL NET POSITION	<u><u>\$ 40,799</u></u>

See accompanying notes to financial statements.

**MARION PARK DISTRICT
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2021**

	Swimming Pool Fund
OPERATING REVENUES	
Service Charges	\$ 13,952
Concession Sales	3,704
Miscellaneous	408
	18,064
TOTAL OPERATING REVENUES	18,064
OPERATING EXPENSES	
Personnel Services	14,334
Contractual services	-
Utilities	7,910
Repairs and maintenance	2,126
Other Supplies and Expenses	10,225
Insurance	-
Depreciation	8,716
	43,311
TOTAL OPERATING EXPENSES	43,311
OPERATING INCOME (LOSS)	(25,247)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	5
Rental Income	-
	5
TOTAL NON-OPERATING REVENUES (EXPENSES)	5
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(25,242)
TRANSFERS IN (OUT)	35,700
CHANGE IN NET POSITION	10,458
NET POSITION, BEGINNING OF YEAR	30,487
Prior Year Adjustment	(146)
NET POSITION, END OF YEAR	\$ 40,799

See accompanying notes to financial statements.

**MARION PARK DISTRICT
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2021**

	Swimming Pool Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 18,064
Payments to employees	(14,334)
Payments to suppliers of goods and services	(10,599)
	(6,869)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(6,869)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Net operating transfers	35,700
	35,700
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	35,700
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	-
	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED Financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	4
Rental Income	-
	4
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	4
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,835
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,196
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 35,031
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (loss)	\$ (25,246)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	8,716
(Increase) decrease in Accounts Receivable	-
Increase (decrease) in accounts payable	9,608
Increase (decrease) in accrued payroll	-
Increase (decrease) in accrued expenses	53
	18,377
Total adjustments	18,377
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (6,869)

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. Summary of Significant Accounting Policies

The financial statements of the Marion Park District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (herein after 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. *Financial Reporting Entity*

The Marion Park District was established on July 15, 1957, as a separate unit of local government. It is governed by a five-member Board of Commissioners elected to four-year terms in biennial public elections. The District is composed of seven parks and a swimming pool facility designed to help meet the leisure needs of the people in the Marion, Illinois area. The accompanying financial statements include only those funds of the District, as the District has concluded that no entities meet the criteria for inclusion as a component unit. Likewise, the District is not required to be included as a component unit of any other entity.

B. *Fund Accounting*

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The District's funds are classified into the following categories: governmental and proprietary.

Governmental funds are used to account for all or most of a District's general activities, including collection and disbursement of restricted, committed or assigned monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of general capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financials administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds).

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. Summary of Significant Accounting Policies (continued)

C. 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 activities of the District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree 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 not properly included among program revenues are reported instead as general revenues. Contributions of land, if any, are reported as general revenues – contributions on the statement of activities.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all resources of the general government, except those accounted for in another fund. Revenues of the General Fund are primarily property and other taxes. Expenditures relate primarily to general administration and maintenance activities.

The District reports the following major proprietary fund:

The Swimming Pool Fund accounts for the operations of the swimming pool. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance and related debt service (if any).

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1.* Summary of Significant Accounting Policies (continued)

D. 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 proprietary fund financial statements. Revenues are recorded when earned and expenses 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 and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized 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. The District considers receipts within 60 days of year-end to be available. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Property taxes, corporate personal property replacement taxes, charges for services, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related liability is incurred. Principal and interest on general obligation long-term debt is recorded when payment is due.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash on deposit at financial institutions, and non-negotiable certificates of deposit.

F. Receivables

Receivables are reported at the estimated net realizable amounts from third-party payers and others for services rendered. Receivables are stated at the amount management expects to collect on outstanding balances.

G. Property Taxes

The District's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Tax bills are prepared by the County and issued on or about June 1 and are payable in two installments, on or about July 1 and September 1. The County collects such taxes and remits them periodically to the District.

MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. Summary of Significant Accounting Policies (continued)

G. Property Taxes (continued)

Property taxes are recognized as revenue in the year intended to finance, regardless of when collected. The 2020 taxes are intended to finance the 2022 fiscal year and are not considered available for current operations and are, therefore, shown as a deferred inflow (unavailable or unearned revenue). The 2021 tax levy has not been recorded as a receivable at June 30, 2021. Although the tax attached as a lien on property as of January 1, 2021 the tax will not be levied until December 2021 and accordingly, is not measurable at June 30, 2021.

H. Capital Assets

Capital assets, which include property, buildings and improvements, vehicles and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets having a useful life greater than one year. Equipment with an initial individual cost at or above \$2,500, buildings and improvements with an initial individual cost at or above \$2,000, land improvements and infrastructure with an initial individual cost at or above \$3,500, and land of any value are capitalized. Software purchases with an initial individual cost at or above \$1,000. 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 on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is calculated on all capital assets other than land using the straight-line method over the following estimated useful lives:

Infrastructure	15-40 years
Buildings and improvements	15-40 years
Vehicles and equipment	5-20 years

I. Fund Balance

In the fund financial statements, governmental funds report five components of fund balance; nonspendable, restricted, committed, assigned, and unassigned.

1. Nonspendable includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as prepaid items. The District had a nonspendable fund balance of \$52,238 at June 30, 2021.

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

1. Summary of Significant Accounting Policies (continued)

I. Fund Balance (continued)

2. Restricted refers to the amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specific purposes. The District has no restricted fund balances at June 30, 2021.
3. Committed refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Commissioners). The Board of Commissioners commits fund balances by passing a resolution or ordinance. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District has no committed fund balances at June 30, 2021.
4. Assigned refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Director of Parks and Recreation. The District has assigned fund balances of \$2,936 for Capital Projects and \$28,612 for Inclusive Playground at June 30, 2021.
5. Unassigned refers to all spendable amounts not contained in the other four classifications described above. In funds other than the general fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally they act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

J. Net Position

Net investment in capital assets represents the District's total investment in capital assets, net accumulated depreciation and related debt.

Restricted net position includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources when they are needed.

MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. Summary of Significant Accounting Policies (continued)

J. *Net Position (continued)*

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

K. *Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay sick leave amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements.

L. *Deferred Outflows/Deferred Inflows of Resources*

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2021, the District's unavailable property taxes and pension are reported as deferred inflows of resources.

M. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. Capital Assets

The following is a summary of the changes in capital assets for the year ended June 30, 2021:

Governmental Activities	Balance as of June 30, 2020	Increases	Decreases	Balance as of June 30, 2021
Capital Assets Not Being Depreciated:				
Land	\$ 147,277	\$ -	\$ -	\$ 147,277
Construction in Progress	-	-	-	-
Capital Assets Being Depreciated:				
Park Improvements	1,024,216		694,388	329,828
Buildings	285,245		6,752	278,493
Motor Vehicles	150,520	52,000	-	202,520
Office Equipment	30,325		10,503	19,822
Maintenance Equipment	171,223	13,734	45,294	139,663
Recreation Equipment	910,776	8,888	4,480	915,184
Safety and Security Equipment	45,866	-	1,075	44,791
Total Capital Assets	<u>2,765,448</u>	<u>74,622</u>	<u>762,492</u>	<u>2,077,578</u>
Less Accumulated Depreciation for:				
Park Improvements	257,196	83,251	209,005	131,442
Buildings	138,829	12,094	5,919	145,004
Vehicles	93,885	22,753	-	116,638
Equipment	378,451	60,458	53,853	385,056
Total Accumulated Depreciation	<u>868,361</u>	<u>178,556</u>	<u>268,777</u>	<u>778,140</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,897,087</u>	<u>\$(103,934)</u>	<u>\$493,715</u>	<u>\$ 1,299,438</u>

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

2. Capital Assets (continued)

<u>Business-Type Activities</u>	Balance as of June 30, 2020	Increases	Decreases	Balance as of June 30, 2021
Building	\$ 104,947	\$ -	\$ -	\$ 104,947
Grounds Improvements	9,285	-	-	9,285
Furniture and Fixtures	10,710	-	5,194	5,516
Swimming Pool	685,191	-	-	685,191
Pool Equipment	47,046	-	6,317	40,729
Total Capital Assets	857,179	-	11,511	845,668
Less Accumulated Depreciation	832,757	8,716	11,364	830,109
Business-Type Activities Capital Assets, Net	\$ 24,422	\$ (8,716)	\$ 147	\$ 15,559

3. Changes in Long-Term Debt

The following is a summary of changes in the District's long-term debt for the year ended June 30, 2021:

Governmental	June 30, 2020	Issued	Retired	June 30, 2021	Due within one year
General obligation bonds	\$ 812,000	\$ -0-	(\$ 42,000)	\$ 770,000	\$ 43,000
Promissory Note	32,500	-0-	(32,500)	-0-	-0-

4. General Obligation Bonds

On September 12, 2016, the District issued \$936,000 of general obligation park limited bonds to provide funds: (1) to current refund the District's outstanding General Obligation Bonds (Limited Tax), Series 2006 (the "Refunding"), (2) finance the costs of certain capital projects (the "Project"); and (3) pay for capitalized interest through June 15, 2017 on a portion of the interest due, and (4) pay costs of issuance of the Bond. The Bonds are issued as fully register bonds, registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York, in \$1,000 denomination or integral multiples thereof. These bonds mature serially on December 15 of each of the calendar years 2017-2035 in amounts ranging from \$41,000 - \$62,000, and bearing interest ranging from 1.250 percent to 2.60 percent payable each June 15 and December 15 annually. The bond principal of \$936,000 and interest of \$253,983 will be paid from property taxes levied specifically for this bond repayment.

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

4. General Obligation Bonds (continued)

Aggregate future principal maturities and interest payments required on these bonds are as follows at June 30, 2021:

<u>Year ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	43,000	19,420	62,420
2023	44,000	18,637	62,637
2024	45,000	17,746	62,746
2025	46,000	16,745	62,745
2026	47,000	15,722	62,722
2027-2031	253,000	59,839	312,839
2032-2036	<u>292,000</u>	<u>21,663</u>	<u>313,663</u>
	<u>\$ 770,000</u>	<u>\$ 169,772</u>	<u>\$ 939,772</u>

There are a number of limitations and restrictions contained in the various bond indentures. The District is in compliance with all significant limitations and restrictions.

5. Promissory Note

On October 19, 2018, the District entered into a business loan agreement in the amount of \$65,000 to provide funds for the Heartland Regional Medical Center Inclusive Playground. The District will make two payments. The first payment due 10/1/2019 and the final one due 10/19/20. The payments will be \$32,500 with an interest rate of 2.740%. As of June 30, 2021 the balance is \$0.

6. Interfund Transfers

Interfund transfers for pool operations made during the year ended June 30, 2021 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers out</u>
General	\$ ---	\$ 35,700
Swimming Pool	<u>35,700</u>	<u>---</u>
	<u>\$ 35,700</u>	<u>\$ 35,700</u>

7. Defined Benefit Pension Plan

Plan Description. The employer'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 employer'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

MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

7. Defined Benefit Pension Plan (continued)

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:

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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 percent 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 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent 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
- ½ of the increase in the Consumer Price Index of the original pension amount.

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

7. Defined Benefit Pension Plan (continued)

Employees Covered by Benefit Terms:

As of December 31, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	4
Inactive Plan Members entitled to but not yet receiving benefits	3
Active Plan Members	<u>7</u>
Total	<u>14</u>

Contributions:

As set by statute, the employer'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 employer's annual contribution rate for calendar year 2020 was 10.25 percent. The required contribution for calendar year 2020 was \$40,094. The employer 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 employer's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

7. Defined Benefit Pension Plan (continued)

Actuarial Assumptions:

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- 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 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 13.75%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For non-disabled retirees, the Pub-2010, amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020

Single Discount Rate:

A Single Discount Rate of 7.25 percent 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

MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

7. Defined Benefit Pension Plan (continued)

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 percent, the municipal bond rate is 2.00 percent, and the resulting single discount rate is 7.25 percent.

Changes in the Net Pension Liability:

	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Balances as of December 31, 2019	\$ 1,331,447	\$ 1,113,689	\$ 217,758
Changes for the Year:			
Service Cost	36,285	-	36,285
Interest on the Total Pension Liability	96,068	-	96,068
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual			
Experience of the Total Pension Liability	(512)	-	(512)
Changes of Assumptions	(30,074)	-	(30,074)
Contributions- Employer	-	40,094	(40,094)
Contributions- Employees	-	17,602	(17,602)
Net Investment Income	-	155,695	(155,695)
Benefit Payments, Including Refunds			
of Employee Contributions	(49,018)	(49,018)	-
Other (Net Transfer)	-	5,179	(5,179)
Net Changes	<u>52,749</u>	<u>169,552</u>	<u>135,382</u>
Balances at December 31, 2020	<u>\$ 1,384,196</u>	<u>\$ 1,283,241</u>	<u>\$ 100,955</u>

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

7. Defined Benefit Pension Plan (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 percent as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Lower	Current Discount	1% Higher
	6.25%	7.25%	8.25%
Net Pension Liability	\$ 306,699	\$ 100,955	\$ (56,695)

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

For the year ended June 30, 2021, the employer recognized pension expense of \$2,700. At June 30, 2021, the employer reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Deferred Amounts Related to Pensions</u>		
<i>Deferred Amounts Related to be Recognized in Pension Expense in Future Periods</i>		
Differences Between Expected and Actual Experience	\$ 28,186	\$ 828
Changes of Assumptions	21,683	40,461
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	50,542	141,175
Total Deferred Amounts to Recognized Pension Expense in Future Periods	100,411	182,464
<i>Pension Contributions Made Subsequent to the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	\$ 100,411	\$ 182,464

**MARION PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

7. Defined Benefit Pension Plan (continued)

Amounts reports as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year End	Net Deferred Outflows
<u>December 31</u>	<u>of Resources</u>
2021	(26,201)
2022	(7,992)
2023	(30,732)
2024	(12,522)
Thereafter	<u>(1,942)</u>
Total	<u>\$ (82,053)</u>

8. Subsequent Events

Subsequent events were evaluated through January 13, 2022 which is the date the financial statements were available to be issued.

9. Deposits

At June 30, 2021, the carrying amount of the District's deposits was \$519,886 and the bank balance was \$521,445.

Custodial Credit Risk Deposits – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. Of the bank balance, \$250,000 as covered by Federal Depository Insurance and \$271,445 was covered by collateral held in the pledging bank's trust department in the District's name.

10. Prior Year Adjustment

The District did an inventory of their fixed assets. Adjustments were made to the fixed asset schedules for disposals and retirements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

MARION PARK DISTRICT
SCHEDULE OF FUNDING PROGRESS
 June 30, 2021

ILLINOIS MUNICIPAL RETIREMENT FUND						
Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability	(b - a) Unfunded Accrued Liability (UAL)	(a / b) Funded Ratio	(c) Annual Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2020	637,582	828,612	191,030	76.95%	391,160	48.84%
12/31/2019	522,840	775,222	252,382	67.44%	363,588	69.41%
12/31/2018	444,452	668,341	223,889	66.50%	346,271	64.66%
12/31/2017	384,030	577,013	192,983	66.55%	348,279	55.41%
12/31/2016	285,282	512,116	226,834	55.71%	319,755	70.94%

On a market value basis, the actuarial value of assets as of December 31, 2020 is \$743,690. On a market basis, the funded ratio would be 89.75%.

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

MARION PARK DISTRICT
SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
June 30, 2021

Calendar year Ending December 31	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Costs	\$ 36,285	\$ 34,048	\$ 31,819	\$ 32,273	\$ 32,868	\$ 29,943	\$ 31,441
Interest on the Pension Liability	96,068	88,481	84,395	82,785	78,473	76,021	66,272
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience							
of the Total Pension Liability	(512)	33,394	(759)	13,960	13,449	(9,266)	67,439
Changes of Assumptions	(30,074)	-	41,405	(40,341)	(1,573)	-	24,724
Benefit Payments, Including Refunds							
of Employee Contributions	(49,018)	(55,757)	(69,859)	(64,134)	(69,504)	(61,330)	(56,601)
Net Change in Total Pension Liability	52,749	100,166	87,001	24,543	53,713	35,368	133,275
Total Pension Liability - Beginning	1,331,447	1,231,281	1,144,280	1,119,737	1,066,024	1,030,656	897,381
Total Pension Liability - Ending (A)	\$ 1,384,196	\$ 1,331,447	\$ 1,231,281	\$ 1,144,280	\$ 1,119,737	\$ 1,066,024	\$ 1,030,656
Plan Fiduciary Net Position							
Contributions - Employer	\$ 40,094	\$ 33,341	\$ 35,977	\$ 37,057	\$ 38,978	\$ 40,796	\$ 33,594
Contributions - Employees	17,602	16,362	16,471	15,673	14,389	14,758	12,494
Net Investment Income	155,695	173,948	(51,830)	154,899	55,004	4,002	46,993
Benefit Payments, Including Refunds							
of Employee Contributions	(49,018)	(55,757)	(69,859)	(64,134)	(69,504)	(61,330)	(56,601)
Other (Net Transfers)	5,179	2,232	20,860	(17,062)	11,436	13,725	(8,862)
Net Change in Plan Fiduciary Net Position	169,552	170,126	(48,381)	126,433	50,303	11,951	27,618
Plan Fiduciary Net Position - Beginning	1,113,689	943,563	991,944	865,511	815,208	803,257	775,639
Plan Fiduciary Net Position - Ending (B)	\$ 1,283,241	\$ 1,113,689	\$ 943,563	\$ 991,944	\$ 865,511	\$ 815,208	\$ 803,257
Net Pension Liability - Ending (A) - (B)	100,955	217,758	287,718	152,336	254,226	250,816	227,399
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.71%	83.65%	76.63%	86.69%	77.30%	76.47%	77.94%
Covered Valuation Payroll	\$ 363,588	\$ 363,588	\$ 346,271	\$ 348,279	\$ 319,755	\$ 327,945	\$ 295,650
Net Pension Liability as a Percentage of Covered Valuation Payroll	27.77%	59.89%	83.09%	43.74%	79.51%	76.48%	76.91%

Notes to the Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

MARION PARK DISTRICT

SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

June 30, 2021

Calendar Year Ended December 31,	Actuarial Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2014	\$ 35,774	\$ 33,594	\$ 2,180	\$ 277,647	12.10%
2015	40,796	40,796	-	327,945	12.44%
2016	38,978	38,978	-	319,755	12.19%
2017	37,057	37,057	-	348,279	10.64%
2018	35,978	35,977	1	346,271	10.39%
2019	33,341	33,341	-	363,588	9.17%
2020	40,094	40,094	-	391,161	10.25%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate*

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine 2020 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): 23-year closed period
 Early retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERL.
 SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (two employers were financed over 27 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, 2018, actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compile, information is presented for those years for which information is available.

**MARION PARK DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (WITH VARIANCES)**

FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted amounts		Actual Amounts Budgetary Basis	Variance with final budget - Positive (Negative)
	Origin	Final		
Revenues:				
Property Taxes	\$ 1,010,774	\$ 1,010,774	\$ 1,008,437	(2,337)
Replacement Tax	20,000	20,000	33,175	13,175
Rent	13,350	13,350	20,426	7,076
Interest Income	5,950	5,950	580	(5,370)
Contributions	286,212	286,212	29,015	(257,197)
Miscellaneous	4,500	4,500	18,364	13,864
	<u>1,340,786</u>	<u>1,340,786</u>	<u>1,109,997</u>	<u>(230,789)</u>
Total Revenues				
Expenditures:				
General Government	\$ 469,814	\$ 626,926	\$ 443,254	\$ 183,672
Recreation	532,300	575,842	472,735	103,107
Debt Service	63,106	63,106	96,039	(32,933)
Capital Outlay	33,862	33,862	74,620	(40,758)
	<u>\$ 1,099,082</u>	<u>\$ 1,299,736</u>	<u>\$ 1,086,648</u>	<u>\$ 213,088</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures			23,349	
Other financing sources (uses):				
Transfers in (out)			(35,700)	
Net change in fund balances			<u>\$ (12,351)</u>	

**MARION PARK DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

JUNE 30, 2021

Budgets and Budgetary Basis of Accounting

The District annually passes a budget and appropriations ordinance which includes all fund types using the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This budget and appropriations ordinance is prepared in accordance with state law which requires a public hearing and making the tentative budget and appropriation ordinance available for public inspection at least 30 days prior to adoption by the Board of Commissioners. Each fund's appropriations are prepared on a detailed line item basis. The Secretary-Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Commissioners.

All unexpended balances of the appropriation for the year ended June 30, 2021 and prior years have been specifically re-appropriated for the same general purposes for which they were originally made and may be expended in making up any insufficiency of any other items provided in the appropriation ordinance, thus making the appropriation in accordance with applicable law.

The following fund had an excess/ (deficit) of actual expenditures/expenses, exclusive of depreciation, over budget for the fiscal year:

Fund	Excess/ (Deficit)
General	\$ 213,088
Swimming Pool	\$ 29,790

The fund financial statements in this report are prepared on the modified accrual basis. The appropriations ordinance is prepared using the cash basis of accounting. The following schedule reconciles the difference between the legally enacted appropriations and General Fund expenditures:

	Actual on GAAP basis	Adjustment to appropriated basis	Actual on appropriated basis
Expenditures:			
General government	\$ 419,594	\$ 23,660	\$ 443,254
Recreation	472,735	---	472,735
Debt service	96,039	---	96,039
Capital outlay	74,620	---	74,620
Total expenditures	\$ 1,062,988	\$ 23,660	\$ 1,086,648

**STATISTICAL
SECTION**

MARION PARK DISTRICT
TAX EXTENSIONS, RATES AND COLLECTIONS
FOR TAX YEARS 2009 – 2019

	<u>Tax extensions</u>	<u>Tax rates</u>	<u>Collections</u>	<u>Equalized valuation</u>
2009 tax levy collected during fiscal year ended June 30, 2011	647,102	.20972	647,350	308,555,357
2010 tax levy collected during fiscal year ended June 30, 2012	671,238	.22638	675,321	296,509,298
2011 tax levy collected during fiscal year ended June 30, 2013	695,660	.22830	696,410	304,712,891
2012 tax levy collected during fiscal year ended June 30, 2014	738,912	.24323	737,926	303,791,523
2013 tax levy collected during fiscal year ended June 30, 2015	766,168	.25279	765,518	303,084,667
2014 tax levy collected during fiscal year ended June 30, 2016	799,376	.26473	799,376	301,959,059
2015 tax levy collected during fiscal year ended June 30, 2017	828,809	.26575	829,560	311,875,629
2016 tax levy collected during fiscal year ended June 30, 2018	867,520	.26955	855,430	321,840,405
2017 tax levy collected during fiscal year ended June 30, 2019	907,204	.28054	904,779	323,377,805
2018 tax levy collected during fiscal year ended June 30, 2020	941,224	.28890	934,043	325,795,841
2019 tax levy collected during fiscal year ended June 30, 2021	1,010,773	.29333	1,008,437	344,585,548

**MARION PARK DISTRICT
COUPUTATION OF LEGAL DEBT MARGIN**

JUNE 30, 2021

Equalized assessed valuation, 2019 tax year	<u>\$ 344,585,548</u>
Statutory debt limitation - 2.875 % of equalized assessed valuation	9,906,835
Amount of debt applicable to debt limit:	
Line of Credit	-
General obligation bonds payable, park improvements	<u>(770,000)</u>
Legal debt margin	<u>\$ 9,136,835</u>