Carbondale Park District

Carbondale, Illinois

Financial Statements

December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Carbondale Park District
Carbondale, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carbondale Park District, as of and for the year ended December 31, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Carbondale Park District, as of December 31, 2020, 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 and budgetary comparison information on pages 31 to 33 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. The Carbondale Park District has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2021, on our consideration of the Carbondale Park District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Carbondale Park District's internal control over financial reporting and compliance.

ATLAS CPAs & Advisors LLC
, 2021

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Carbondale Park District
Carbondale, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Carbondale Park District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Carbondale Park District's basic financial statements, and have issued our report thereon dated May 10 , 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Carbondale Park District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Carbondale Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Carbondale Park District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 2012-2 to be significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Carbondale Park District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Carbondale Park District's Response to Findings

The Carbondale Park District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Carbondale Park District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATLAS CPAs & Advisors LLC
, 2021

Carbondale Park District
Statement of Net Position
December 31, 2020

	Governmental Activities
Assets	
Current Assets	
Cash	$ 95,747
Restricted Cash	85,931
Investments	8,393
Receivables:	
Due from other governments	15,071
Property taxes receivable	1,752,832
Inventory	8,362
Prepaid expense	97,765
Noncurrent Assets	
Capital assets, non-depreciable	591,143
Capital assets, net of accumulated depreciation	4,248,931
Net pension asset - IMRF	75,259
Total Assets	6,979,434
Deferred Outflow of Resources	
Deferred amounts related to pensions - IMRF	674,944
Liabilities	
Current Liabilities	
Accounts payable	13,712
Accrued payroll	54,964
Accrued vacation payable	31,006
Accrued payroll related liabilities	18,299
Accrued interest payable	21,105
Noncurrent Liabilities	
Due within one year	904,428
Due in more than one year	3,069,989
Total Liabilities	4,113,503
Deferred Inflow of Resources	
Deferred amounts related to pensions - IMRF	673,943
Deferred revenue - property taxes	1,558,221
Total Deferred Inflow of Resources	2,232,164
Net Position	
Investment in capital assets, net of related debt	855,864
Restricted for debt service	734,073
Unrestricted	(281,226)
Total Net Position	$ 1,308,711

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

Carbondale Park District
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues: Charge for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense): Governmental Activities
Governmental Activities:					
Administration	$ 437,644	$ 33,200	$ -	$ -	$ (404,444)
Aquatics	98,933	13,078	-	-	(85,855)
Recreation	143,940	8,009	-	-	(135,931)
Alice Wright early childhood care	-	8,467	50,299	-	58,766
Kids Korner after school care	132,396	93,768	-	-	(38,628)
Park maintenance	164,422	1,860	786	-	(161,776)
Athletic field maintenance	125,526	7,172	-	-	(118,354)
Community service	10,596	-	-	-	(10,596)
Golf course	573,185	335,316	12,818	-	(225,051)
Learning Tree	86,923	41,080	1,667	-	(44,176)
Outdoor aquatics center	205,954	482	-	-	(205,472)
Debt service	139,212	-	-	-	(139,212)
Total Governmental Activities	$ 2,118,731	$ 542,432	$ 65,570	$ -	(1,510,729)
General Revenues					
Taxes -					
Property taxes, levied for general purposes					812,722
Property taxes, levied for debt service					702,594
Intergovernmental					88,314
Investment income					6,855
Miscellaneous					20,555
Total General Revenues					1,631,040
Change in Net Position					120,311
Net Position - Beginning of Period					1,188,400
Net Position- End of Period					$ 1,308,711

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

Carbondale Park District
Balance Sheet
Governmental Funds
December 31, 2020

	General Fund	Bond and Interest Fund	Total Governmental Funds
Assets			
Cash	$ 95,747	$ -	$ 95,747
Restricted cash	-	85,931	85,931
Investments	8,393	-	8,393
Receivables:			
Due from other governments	15,071	-	15,071
Property taxes receivable	1,022,119	730,713	1,752,832
Inventory	8,362	-	8,362
Due from other funds	-	536,110	536,110
Total Assets	$ 1,149,692	$ 1,352,754	$ 2,502,446
Liabilities, Deferred Inflow of Resources and Fund Balances			
Liabilities			
Accounts payable	$ 13,712	$ -	$ 13,712
Accrued payroll	54,964	-	54,964
Accrued payroll related expenses	18,299	-	18,299
Due to other funds	536,110	-	536,110
Total Liabilities	623,085	-	623,085
Deferred Inflow of Resources			
Unavailable revenue - property taxes	917,592	640,629	1,558,221
Fund Balances			
Nonspendable	8,362	-	8,362
Restricted	-	712,125	712,125
Unassigned	(399,347)	-	(399,347)
Total Fund Balances	(390,985)	712,125	321,140
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 1,149,692	$ 1,352,754	$ 2,502,446

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

Carbondale Park District
Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Position
December 31, 2020

Total Fund Balances - Governmental Funds		$ 321,140
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 as assets in governmental funds.		
Capital assets - cost	12,727,408	
Accumulated depreciation	(7,887,334)	4,840,074
Prepaid expense is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.		97,765
Accrued vacation payable is not due and payable in the current period and therefore is not reported in the governmental funds.		(31,006)
Deferred inflows of resources related to Illinois Municipal Retirement Fund (IMRF) are not reported in governmental funds.		(673,943)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term liabilities at year end consist of:		
Accrued interest payable	(21,105)	
Notes payable	(128,157)	
Bonds payable, net of bonds discount	(3,846,260)	(3,995,522)
Deferred outflows of resources related to IMRF are not reported in governmental funds.		674,944
Net pension asset for IMRF is not reported in the governmental funds.		75,259
Total Net Position - Governmental Activities		$ 1,308,711

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

Carbondale Park District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	Bond and Interest Fund	Total Governmental Funds
Revenues			
Property taxes	$ 812,722	$ 702,594	$ 1,515,316
Intergovernmental revenue	88,314	-	88,314
Golf course revenue	355,693	-	355,693
Program and user fees	127,132	-	127,132
Child care fees	51,164	-	51,164
Interest income	6,703	152	6,855
Contributions and grants	65,570	-	65,570
Miscellaneous	24,662	-	24,662
Total Revenues	1,531,960	702,746	2,234,706
Expenditures			
Administration	435,932	-	435,932
Aquatics	108,122	-	108,122
Outdoor aquatics center	11,762	-	11,762
Recreation	129,337	-	129,337
Kids Korner after school care	135,792	-	135,792
Park maintenance	166,724	-	166,724
Athletic field maintenance	153,322	-	153,322
Community service	8,633	-	8,633
Golf course	505,936	-	505,936
Learning Tree	104,421		104,421
Capital outlay	11,025	-	11,025
Debt service	1,224,953	234,495	1,459,448
Total Expenditures	2,995,959	234,495	3,230,454
Excess (Deficiency) of Revenues Over Expenditures	(1,463,999)	468,251	(995,748)
Other Financing Sources (Uses)			
Proceeds from long-term debt	1,133,260	-	1,133,260
Total Other Financing Sources (Uses)	1,133,260	-	1,133,260
Net Change in Fund Balances	(330,739)	468,251	137,512
Fund Balances at Beginning of Year	(60,247)	243,875	183,628
Fund Balances at End of Year	$ (390,986)	$ 712,126	$ 321,140

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

Carbondale Park District
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances With the Statement of Activities
For the Year Ended December 31, 2020

Total Net Change in Fund Balances - Governmental Funds		$ 137,512
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures; in the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation.		
Depreciation expense	(408,239)	
Capital outlay	11,025	(397,214)
Prepaid expense is recorded in the Statement of Activities when incurred; these costs are recorded in governmental funds as expense when paid.		(27,419)
Accrued vacation is reported in the Statement of Activities and Changes in Net Position, but does require the use of current financial resources. Therefore, this accrued expense is not reported as an expenditure in governmental funds.		28,277
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but not in the Statement of Activities where it reduces long-term debt.		
Proceeds from long-term debt	(633,260)	
Repayments of long-term debt	816,800	183,540
Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		842
Deferred outflow of resources, deffered inflow of resources, and net pension liability related to IMRF are not reported in governmental funds.		194,773
Change in Net Position - Governmental Activities		$ 120,311

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

Carbondale Park District
Agency Fund
Statement of Net Assets
December 31, 2020

	Lights Fantastic Fund
Assets	
Cash	$ 26,165
Total Assets	26,165
Liabilities	
Due to others	26,165
Total Liabilities	$ 26,165

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

Carbondale Park District
Notes to Financial Statements
December 31, 2020

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Carbondale Park District (Park District) was organized by referendum in 1940 and is governed by a board of five elected commissioners, serving four year terms of office, without compensation, pursuant to the provisions of the Park District Code, Illinois Compiled Statutes, 70 ILCS 1205, 1997.

The Park District is located in Southern Illinois and services a population of approximately 26,500. The mission of the District is to enhance the quality of community life by providing recreation and leisure opportunities.

The Park District offers recreational programs for all age groups, including recreational classes, organized league sports, aquatics programs and classes and community events such as the Sunset Concert series. In addition to the Park District's many parks and facilities, it also offers an 18 hole top rated public golf course.

The Park District serves a diverse population with a wide range of interests. The programs and services serve infants, preschoolers, youths, teens, adults and seniors, as well as family interests.

The Park District's reporting entity includes the Park District's governing board and all related organizations for which the Park District exercises oversight responsibility.

The Park District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Park District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Park District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public services, and special financing relationships.

The financial statements of the Park District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Basic Financial Statements

The Park District's basic financial statements include both government-wide (reporting the Park District as a whole) and fund financial statements (reporting the Park District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. 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 fees and charges for support. The Park District's government-wide activities are governmental activities only.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Park District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Interfund receivables/payables resulting from short-term interfund loans are eliminated in the government-wide Statement of Net Position. The Park District's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Park District first utilizes restricted resources to finance qualifying activities. This government-wide focus is more on the sustainability of the Park District as an entity and the change in the Park District's net position resulting from the current year's activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the Park District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Park District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Park District.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

Fund financial statements report detailed information about the Park District.

The accounts of the Park District are organized on the basis of funds, each of which is considered a separate accounting entity. Funds are organized into two major categories: governmental and fiduciary. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.
The following fund types are used by the Park District:

Governmental Fund Types -

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

a. General Fund Types - The General Fund and the Outdoor Aquatics Center Fund are the general operating funds of the Park District. They are used to account for all financial resources devoted to financing the general services that the Park District performs for its citizens, except those required to be accounted for in another fund.

b. Debt Service Fund - The Debt Service Fund (Bond and Interest Fund) is used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs.

Fiduciary Fund Type -

The Fiduciary Fund Type is used to report assets held in a trustee or agency capacity for others and therefore are not available to support Park District programs.

This fund type is as follows:

Agency Fund - Agency Fund (Lights Fantastic) is used to account for assets held by the Park District in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The Agency Fund is accounted for using the modified accrual basis of accounting.

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

Fund	Brief Description
Major Governmental:	
General Fund	Accounts for financial resources devoted to financing the general services that the Park District performs for its citizens.
Bond and Interest Fund	Accounts for the accumulation of resources for the payment of bond principal, interest and related costs.
Non-Major	The Park District has no non-major funds.

C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when paid.

D. Annual Budget Ordinance

The Park District annually passes a budget 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. All unexpended budget amounts lapse at the end of each fiscal year.

Each fund's budget is prepared on a detailed line item basis. Expenditures are budgeted by department and class as follows: personnel services, supplies and services, capital outlay, and debt service. This constitutes the legal level of control. Expenditures may not exceed the budget at this level. Within these control levels, management may transfer budget lines without Board approval.

E. Cash and Cash Equivalents

Cash includes cash on hand and cash on deposit with financial institutions that can be withdrawn without prior notice or penalty.

Cash equivalents include short-term, highly liquid investments with original maturities of 90 days or less. State statutes authorize the Park District to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

F. Investments

Investments are stated at fair value. Cash deposits are reported at carrying value which reasonably estimates fair value.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

H. Inventory and Prepaid Items

Inventory in the general fund consists of expendable supplies of the golf course held for consumption stated on a first-in, first-out basis. It is reported at cost which is recorded as an expenditure at the time individual inventory items are used. Reported inventories of the general fund are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources.

Prepaid balances are for insurance payments made by the Park District in the current year to provide coverage occurring in the subsequent fiscal year.

I. Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables are eliminated in the government-wide statement of net position.

J. Restricted Assets

The Bond and Interest Fund is required to establish and maintain prescribed amounts of resources (consisting of cash) that can only be used to service outstanding debt.

K. Capital Assets

The Park District is required to spread the cost of its capital assets over the assets' useful lives. These capital assets include land, buildings, and related equipment. The depreciation expense amounts charged to each of the functions are in the statement of activities.

The Park District's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements.

Capital assets purchased or acquired with an original cost of $1,000 or more are reported at historical or estimated historical cost, including all ancillary charges necessary to place the asset in its intended location and condition for use. Donated assets are reported at fair market value at the time of acquisition plus all appropriate ancillary costs. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Depreciation on all assets is calculated using the straight-line method. The estimated useful lives of assets are based on local government suggested basis, past experience, or other reliable sources. Useful lives typically will not exceed fifty (50) years. The following estimated useful lives are used for depreciation purposes:

Buildings and improvements	20 - 30 years
Furniture and equipment	5 - 15 years

Property, plant and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

L. Compensated Absences

For the General Fund, benefit pay is accrued for benefits earned but not taken at December 31, 2020. Vacation time is earned on a hire-date basis.

Vacation Days

After one year of employment, employees earn two weeks of vacation. After four years of employment, employees earn three weeks of vacation. After twelve years of employment, employees earn four weeks of vacation. After twenty years of employment, employees earn five weeks of vacation. Vacation is paid at the employee's regular straight time hourly rate.

Vacation days not used during the current year may be carried forward to subsequent years with a maximum accumulation of one week.
Any employee who is separated from Park District employment shall be compensated for all unused vacation time accumulated for the year at the rate of pay at the time of separation.

As of December 31, 2020, the liability for unused vacation is approximately $31,006.

Sick Days

Employees shall accrue sick days at a rate of one day per month up to a maximum of 120 days. Upon termination of employment, unused sick days are not paid.

As of December 31, 2020, the liability for sick leave is approximately $88,282.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

N. Equity Classifications

Government-Wide Statements:

Equity is classified as net position and displayed in three components:

a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital asset, net of related debt."

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Park District has deferred outflows related to IMRF (Illinois Municipal Retirement Fund) pension expense to be recognized in future periods and for pension contributions made after the measurement date. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Park District reports unavailable/unearned property taxes in this category.

P. 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 and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Property Tax Revenues

Receivables and Allowance

Property tax revenues are recorded on the "deferred method." Because of the extraordinarily long period of time between the levy date and the receipt of tax distributions from the County Collector, the property taxes are not "available" to finance current year expenditures.

The Bond and Interest Fund taxes received are pro-rata portion of such taxes collected by Jackson County, Illinois, and are not extended separately for the Carbondale Park District.

The Park District's property tax is levied each year on all taxable real property located in the Park District. Property taxes attach as an enforceable lien on property as of January 1 and were payable in two installments on September 17, 2020 and November 17, 2020. The Park District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from 2018, 2019 and prior tax levies.

Note 3. Deposits and Investments

Permitted Deposits and Investments - Statutes authorize the Park District to make deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

A. Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Park District's deposits might not be recovered. The Park District does have a deposit policy for custodial credit risk. As of December 31, 2020, none of the Park District's bank balances of $845,361 were exposed to custodial credit risk.

During the year ended December 31, 2020, the depository bank used by the Park District had pledged $1,390,007 in various securities to secure the Park District's deposits in excess of the amounts insured by the FDIC. The pledged securities are held by the pledging financial institution's trust department or agent but not in the Park District's name.

Note 4. Defined Benefit Pension Plan

Illinois Municipal Retirement Fund –

<u>IMRF Plan Description</u>

The Park 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 Park District's plan is managed by the Illinois 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.

<u>Benefits Provided</u>

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% 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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms
As of December 31, 2019, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	18
Inactive Plan Members entitled to but not yet receiving benefits	31
Active Plan Members	24
Total	73

Contributions
As set by statute, the Park 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 Park District's annual contribution rate for calendar year 2019 was 7.50%. For the fiscal year ended December 31, 2020, the Park District contributed $55,791 to the plan. The Park District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability
The Park District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The amount is included in the Accrued Expense on the Statement of Fiduciary Net Position.

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

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 2.50%.
- Salary Increases were expected to be 3.35% to 14.25%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- For non-disabled retires, 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 adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60-7.60%
Cash equivalents	1%	1.85%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2019. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rate reflects:

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

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

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A)-(B)
Balances at December 31, 2018 ok.	$ 5,131,081	$ 4,863,246	$ 267,835
Changes for the year:			
Service Cost	81,021	-	81,021
Interest on the Total Pension Liability	367,047	-	367,047
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	250,601	-	250,601
Changes of Assumptions	-	-	-
Contributions – Employer	-	60,871	(60,871)
Contributions – Employees	-	36,523	(36,523)
Net Investment Income	-	835,710	(835,710)
Benefit Payments, Including Refunds of Employee Contributions	(217,747)	(217,747)	-
Other (Net Transfer)	-	108,659	(108,659)
Net Changes	480,922	(824,016)	(343,094)
Balances at December 31, 2019	$ 5,612,003	$ 5,687,262	$ (75,259)

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the plans 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% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net Pension Liability/(Asset)	$586,790	$(75,259)	$(627,055)

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

For the year ended December 31, 2020, the Park District recognized pension income of $58,974. At December 31, 2020, the Park District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 196,682	$ 80,152
Changes of assumptions	59,883	41,437
Net Difference between projected and actual earnings on pension plan investments	362,588	552,354
Total Deferred Amounts to be recognized in pension expense in future periods	619,153	673,943
Pension Contributions made subsequent to the Measurement Date	55,791	-
Total Deferred Amounts Related to Pensions	$ 674,944	$ 673,943

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

Year Ending December 31	**Net Deferred Outflows of Resources**
2020	$ 569
2021	9,524
2022	31,826
2023	(96,709)
Total	$ (54,790)

Note 5. Capital Assets

The following is a summary of changes in the capital assets for the period:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 591,143	$ -	$ -	$ 591,143
Total Capital Assets Not Being Depreciated	591,143	-	-	591,143

Capital assets being depreciated:				
Parking lots	275,680	-	-	275,680
Building improvements	357,021	-	-	357,021
Fixtures and equipment	1,670,389	11,025	(55,612)	1,625,802
Buildings	2,936,618	-	-	2,936,618
Vehicles	367,913	-	-	367,913
Land improvements	6,573,231	-	-	6,573,231
Total Capital Assets Being Depreciated	12,180,852	11,025	(55,612)	12,136,265
Less accumulated depreciation for:				
Parking lots	238,870	4,371	-	243,241
Building improvements	281,597	14,585	-	296,182
Fixtures and equipment	1,439,638	34,236	(55,612)	1,418,262
Buildings	2,104,920	75,596	-	2,180,516
Vehicles	367,913	-	-	367,913
Land improvements	3,101,769	279,451	-	3,381,220
Total Accumulated Depreciation	7,534,707	408,239	(55,612)	7,887,334
Total Capital Assets Being Depreciated, Net	4,646,145	(397,214)	-	4,248,931
Governmental Activities Capital Capital Assets, Net	$ 5,237,288	$ (397,214)	$ -	$ 4,840,074

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Administration	$ 9,551
Aquatics	4,577
Outdoor aquatic center	194,192
Recreation	28,922
Alice Wright Early Childhood	1,025
Park maintenance	25,373
Athletic field maintenance	1,470
Community service	1,818
Golf course	141,311
Total Governmental Activities Depreciation Expense	$ 408,239

Note 6. Changes in Long-Term Debt

The following is a summary of bond and other contractual transactions of the Park District for the year ended December 31, 2020.

Bonds and Debt Certificates

	Bonds Payable December 31, 2019	Bonds Issued	Bond Payments	Bonds Payable December 31, 2020	Current Portion Bonds Payable December 31, 2020
Governmental-Type Activities - General Obligation Bonds -					
Series 2017A	$ 373,000	$ -	$ (70,000)	$ 303,000	$ 72,000
Series 2019A	3,045,000	-	(135,000)	2,910,000	160,000
Series 2019B	611,800	-	(611,800)	-	-
Series 2020	-	633,260	-	633,260	633,260
	$ 4,029,800	$ 633,260	$ (816,800)	$ 3,846,260	$ 865,260

General Obligation Bonds payable at December 31, 2020, are comprised of the following individual issues:

General Obligation -	
$500,000 General Obligation (Limited Tax) Park Bonds, Series 2017A, dated July 15, 2017, due in annual principal on December 15th, installments ranging from $60,000.00 to $80,000; through December 15, 2024; interest rate is variable from 3.10% to 4.00%. General fund is responsible for paying this bond.	$ 303,000
$3,045,000 General Obligation Park Bonds Alternative Revenue Source, Series 2019A, dated October 2, 2019, due in an annual principal installment on December 15th, ranging from $135,000 to $235,000; through December 15, 2035; interest rate is 2.94%. General fund is responsible for paying this bond.	2,910,000
$633,260 General Obligation (Limited Tax) Park Bonds, Series 2020, dated October 26, 2020, due in an annual principal installment of $633,260 on November 15, 2021, interest rate is 1.15%. Bond and Interest fund is responsible for paying this bond.	633,260
Total General Obligation Bonds Payable	$ 3,846,260

As of December 31, 2020, $ 712,125 is available in the Bond and Interest Fund to service General Obligation Bonds.

The annual requirements to amortize all debt outstanding as of December 31, 2020, including interest payments of $768,718 for General Obligation Bonds are as follows:

Year Ending December 31	Principal	Interest	Total
2021	$ 865,260	$ 104,679	$ 969,939
2022	234,000	89,753	323,753
2023	242,000	82,311	324,311
2024	250,000	74,495	324,495
2025	175,000	66,297	241,297
2026-2030	965,000	250,929	1,215,929
2031-2035	1,115,000	100,254	1,215,254
	$ 3,846,260	$ 768,718	$ 4,614,978

Other Contractual Liabilities

The following is a summary of other contractual liability transactions for governmental-type activities of the Park District for the year ended December 31, 2020:

	Balance December 31, 2019	Additions	Payments	Balance December 31, 2020	Current Portion
Governmental-Type Activities -					
Accrued vacation	$ 59,284	$ -	$ (28,278)	$ 31,006	$ -
First Southern Bank, Tax Anticipation Warrants	50,000	500,000	(550,000)	-	-
Notes Payable	128,157	-	-	128,157	39,168
Total	$ 237,441	$ 500,000	$ (578,278)	$ 159,163	$ 39,168

The annual requirements to amortize all other contractual liabilities of government-type activities as of December 31, 2020 including interest payments of $ 19,985 are as follows:

Year Ending December 31,	Principal	Interest	Total
2021	$ 39,168	$ 10,213	$ 49,381
2023	20,864	3,827	24,691
2024	21,761	2,929	24,690
2025	22,691	1,999	24,690
2026	23,673	1,018	24,691
	$ 128,157	$ 19,986	$ 148,143

Note 7. Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

At December 31, 2020, the nonspendable fund balance consisted of the Park District's inventory.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Park District has the following restricted fund balance:

Restricted for debt service. This was created to segregate a portion of the fund equity account for debt service, including both principal payments and interest payments.

The restriction was established to satisfy legal restrictions imposed by various bond agreements.

C. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Park District's highest level of decision making authority (the governing board). Those committed amounts cannot be used for any other purpose unless the Park District removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

At December 31, 2020, there are no committed fund balances.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by (a) the governing board itself or (b) the finance committee or by the executive director when the governing board has delegated the authority to assign amounts to be used for specific purposes.

At December 31, 2020, there are no assigned fund balances.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund types for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund and Outdoor Aquatic Center Fund.

F. Expenditures of Fund Balance

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

	General Fund	Bond and Interest Fund	Total Governmental Funds
Fund Balances			
Nonspendable	$ 8,362	$ -	$ 8,362
Restricted for –			
Debt service	-	712,125	712,125
Unassigned	(399,347)	-	(399,347)
Total Fund Balances	$ (390,985)	$ 712,125	$ 321,140

Note 8. Components of Restricted Assets

Governmental Funds

	Bond and Interest
Cash	$ 85,931

Restricted assets of the Bond and Interest are for debt service.

Note 9. Interfund Transactions

During the course of normal operations, the Park District has transactions between funds. Individual fund interfund receivable and payable balances at December 31, 2020 arising from these transactions were as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ -	$ 536,110
Bond and Interest Fund	536,110	-
Total	$ 536,110	$ 536,110

There were no operating transfers within the reporting entity. Interfund loans will be repaid as funds are available.

Note 10. Risk Management

The Park District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the period ended December 31, 2020, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

Note 11. Contingencies

Litigation

The Park District is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Park District.

Grants

In the normal course of operations, the Park District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Note 12. Legal Debt Margin

Assessed Valuation - Tax Levy Year 2019	$	309,888,920
Statutory debt limitation as defined in 70 ILCS 1205/6-2, Illinois Compiled Statutes (2.875% of assessed valuation)	$	8,909,306
Outstanding Debt:		
Bonds - General obligation		3,846,260
Legal Debt Margin	$	5,063,046

Note 13. Lease Obligations

The Park District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the Park District's asset or liability accounts.

The Park District has entered into an operating lease which is subject to annual appropriations. For the year ended 2020, rentals approximated $2,193 for such lease. This lease primarily supports general fund activities.

Required Supplemental Information

Carbondale Park District
Budget and Actual (with Variances)
General Fund Types
December 31, 2020

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts, Budgetary Basis**	**Variance with Final Budget - Positive (Negative)**
Revenues				
Property taxes	$ 942,694	$ 942,694	$ 821,127	$ (121,567)
Intergovernmental revenue	96,950	96,950	87,577	(9,373)
Golf course revenue	485,600	485,600	355,693	(129,907)
Program and user fees	184,570	184,570	127,132	(57,438)
Splash park fees	228,043	228,043	-	(228,043)
Child care fees	315,775	315,775	51,164	(264,611)
Interest income	-	-	6,702	6,702
Contributions and grants	34,500	34,500	66,948	32,448
Miscellaneous	32,200	32,200	24,662	(7,538)
Total Revenues	2,320,332	2,320,332	1,541,005	(779,327)
Expenditures				
Administration	380,133	380,133	439,533	(59,400)
Aquatics	253,868	253,868	118,755	135,113
Outdoor aquatics center	258,370	258,370	12,070	246,300
Recreation	175,741	175,741	132,982	42,759
Alice Wright early childhood care	210,610	210,610	10,988	199,622
Kids Korner after school care	134,022	134,022	134,196	(174)
Park maintenance	285,098	285,098	174,499	110,599
Athletic field maintenance	193,572	193,572	157,258	36,314
Community service	15,898	15,898	8,451	7,447
Golf course	633,312	633,312	517,888	115,424
Learning Tree	-	-	104,421	(104,421)
Capital outlay	26,000	26,000	11,025	14,975
Debt service	862,716	862,716	1,224,953	(362,237)
Total Expenditures	3,429,340	3,429,340	3,047,019	382,321
Excess (Deficiency) of Revenues Over Expenditures	(1,109,008)	(1,109,008)	(1,506,014)	(397,006)
Other Financing Sources (Uses)				
Transfer to other funds	-	-	(400,000)	(400,000)
Proceeds from long-term debt	1,111,800	1,111,800	1,133,260	21,460
Net Change in Fund Balances	$ 2,792	$ 2,792	$ (772,754)	$ (775,546)

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

Carbondale Park District
Budget and Actual (with Variances)
Bond and Interest Fund
December 31, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts, Budgetary Basis	
Revenues				
Property taxes	$ 690,600	$ 690,600	$ 719,536	$ 28,936
Interest income	-	-	283	283
Total Revenues	690,600	690,600	719,819	29,219
Expenditures				
Debt service	624,258	624,258	234,495	389,763
Total Expenditures	624,258	624,258	234,495	389,763
Excess (Deficiency) of Revenues Over Expenditures	66,342	66,342	485,324	418,982
Other Financing Sources (Uses)				
Transfer to other funds	-		(400,000)	(400,000)
Net Change in Fund Balances	$ 66,342	$ 66,342	$ 85,324	$ 18,982

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

Carbondale Park District
Notes to Required Supplemental Information
December 31, 2020

The Park District annually passes a budget ordinance which includes all fund types using the cash basis of accounting. All unexpended budget amounts lapse at the end of each fiscal year.

Each fund's budget is prepared on a detailed line item basis. Expenditures are budgeted by department and class as follows: personnel services, supplies and services, capital outlay, and debt service. This constitutes the legal level of control. Expenditures may not exceed the budget at this level. Within these control levels, management may transfer budget lines without Board approval.

The Park District follows these procedures in establishing the budgetary date reflected in the financial statements:

1. Prior to December 31, the District Director submits to the Commissioners of the Park Board a proposed operating budget for the fiscal year that commenced January 1. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is conducted to obtain taxpayer comments.

3. Prior to March 31, the budget is legally enacted through the passage of an ordinance in accordance with 70 ILCS 1205/4-4, Illinois Compiled Statutes.

4. The Director is authorized to transfer budgeted amounts between departments within any department or business unit; however, any revisions that alter the total expenditures of any fund must be approved by the Commissioners of the Park Board.

5. Formal budgetary integration is employed as a management control device during the period for the General Fund, Bond and Interest Fund and Outdoor Aquatics Fund.

6. The budget for the Park District is adopted using the cash basis of accounting. In addition, bond and loan proceeds are treated as other financing sources and bond and loan principal payments are treated as expenditures.

The fund financial statements and required supplemental information in this report are prepared on the modified accrual basis (GAAP). The budget is prepared using the cash basis of accounting. The following schedule reconciles the difference between the legally enacted budget and the following fund expenditure for the general fund and bond and interest fund:

	Actual on GAAP Basis	Adjustment to Budget Basis	Actual on Budget Basis	Budget	Variance
Administration	$ 435,932	$ 3,601	$ 439,533	$ 380,133	$ 59,400
Aquatics	108,122	10,633	118,755	253,868	(135,113)
Outdoor aquatics center	11,762	308	12,070	258,370	(246,300)
Recreation	129,337	3,645	132,982	175,741	(42,759)
Alice Wright early childhood care	-	10,988	10,988	210,610	(199,622)
Kids Korner after school care	135,792	(1,596)	134,196	134,022	174
Park maintenance	166,724	7,775	174,499	285,098	(110,599)
Athletic field maintenance	153,322	3,936	157,258	193,572	(36,314)
Community service	8,633	(182)	8,451	15,898	(7,447)
Golf course	505,936	11,952	517,888	633,312	(115,424)
Learning Tree	104,421	-	104,421	-	104,421
Capital outlay	11,025	-	11,025	26,000	(14,975)
Debt service	1,224,953	-	1,224,953	862,716	362,237
Bond and interest	234,495	-	234,495	624,258	(389,763)
	$ 3,230,454	$ 51,060	$ 3,281,514	$ 4,053,598	$ (772,084)

Carbondale Park District

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios

Illinois Municipal Retirement Plan

Last Four Calendar Years

	2019	2018	2017	2016
Calendar Year Ending December 31,				
Total Pension Liability				
Service Cost	$ 81,021	$ 90,801	$ 95,113	$ 98,340
Interest on the Total Pension Liability	367,047	363,949	346,003	346,863
Benefit Changes	-	-	-	-
Difference between Expected and Actual Experience	250,601	(181,898)	84,844	(320,816)
Assumption Changes	-	135,901	(131,635)	(5,463)
Benefit Payments and Refunds	(217,747)	(169,853)	(135,934)	(133,954)
Net Change in Total Pension Liability	$ 480,922	$ 238,900	$ 258,391	$ (15,030)
Total Pension Liability – Beginning	5,131,081	4,892,181	4,633,790	4,648,820
Total Pension Liability – Ending (a)	$ 5,612,003	$ 5,131,081	$ 4,892,181	$ 4,633,790
Plan Fiduciary Net Position				
Employer Contributions	$ 60,871	$ 74,328	$ 90,934	$ 81,313
Employee Contributions	36,523	59,060	41,844	40,105
Pension Plan Net Investment Income	835,710	(219,528)	738,165	295,174
Benefit Payments and Refunds	(217,747)	(169,853)	(135,934)	(133,954)
Other	108,659	80,910	(46,611)	(169,076)
Net Change in Plan Fiduciary Net Position	$ 824,016	$ (175,083)	$ 688,398	$ 113,562
Plan Fiduciary Net Position – Beginning	4,863,246	5,038,329	4,349,931	4,236,369
Plan Fiduciary Net Position – Ending (b)	$ 5,687,262	$ 4,863,246	$ 5,038,329	$ 4,349,931
Net Pension Liability/(Asset) – Ending (a)-(b)	$ (75,259)	$ 267,835	$ (146,148)	$ 283,859
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.34%	94.78%	102.99%	93.87%
Covered Valuation Payroll	$ 811,620	$ 823,129	$ 926,962	$ 878,120
Net Pension Liability as a Percentage of Covered Valuation Payroll	(9.27)%	32.54%	(15.77)%	32.33%

Additional years will be added to the schedule annually until 10 years of data is presented.

Carbondale Park District

Multiyear Schedule of Contributions - Last 4 Calendar Years

Illinois Municipal Retirement Fund

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	$ 60,872	$ 60,871	$ [illegible]	$ 811,620	7.50%
2018	74,329	74,328	1	823,129	9.03%
2017	90,935	90,934	1	926,962	9.81%
2016	81,314	81,313	1	878,120	9.26%

Additional years will be added to the schedule annually until ten years of data is presented.

Other Supplemental Information

Carbondale Park District
Combining Balance Sheet
General Fund
December 31, 2020

	Outdoor Aquatics Center Fund	General Fund	Total General Fund
Assets			
Cash	$ 4,731	$ 91,016	$ 95,747
Investments	-	8,393	8,393
Receivables:			
Due from other governments	-	15,071	15,071
Property taxes receivable	-	1,022,119	1,022,119
Inventory	-	8,362	8,362
Total Assets	$ 4,731	$ 1,144,961	$ 1,149,692
Liabilities, Deferred Inflow of Resources and Fund Balances			
Liabilities			
Accounts payable	$ 598	$ 13,114	$ 13,712
Accrued payroll	-	54,964	54,964
Accrued payroll related expenses	-	18,299	18,299
Due to other funds	225,599	310,511	536,110
Total Liabilities	226,197	396,888	623,085
Deferred Inflow of Resources			
Unavailable revenue	-	917,592	917,592
Fund Balances			
Nonspendable	-	8,362	8,362
Unassigned	(221,466)	(177,881)	(399,347)
Total Fund Balances	(221,466)	(169,519)	(390,985)
Total Liabilities, Deferred Inflow of Resources and Fund Balances	$ 4,731	$ 1,144,961	$ 1,149,692

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

Carbondale Park District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended December 31, 2020

	Outdoor Aquatics Center Fund	General Fund	Total General Fund
Revenues			
Property taxes	$ -	$ 812,722	$ 812,722
Intergovernmental revenue	-	88,314	88,314
Golf course revenue	-	355,693	355,693
Program and user fees	-	127,132	127,132
Child care fees	-	51,164	51,164
Interest income	13	6,690	6,703
Contributions and grants	-	65,570	65,570
Miscellaneous	9,868	14,794	24,662
Total Revenues	9,881	1,522,079	1,531,960
Expenditures			
Administration	-	435,932	435,932
Aquatics	-	108,122	108,122
Outdoor aquatics center	11,762	-	11,762
Recreation	-	129,337	129,337
Kids Korner after school care	-	135,792	135,792
Park maintenance	-	166,724	166,724
Athletic field maintenance	-	153,322	153,322
Community service	-	8,633	8,633
Golf course	-	505,936	505,936
Learning Tree	-	104,421	104,421
Capital outlay	-	11,025	11,025
Debt service	-	1,224,953	1,224,953
Total Expenditures	11,762	2,984,197	2,995,959
Excess (Deficiency) of Revenues Over Expenditures	(1,881)	(1,462,118)	(1,463,999)
Other Financing Sources (Uses)			
Proceeds from long-term debt	-	1,133,260	1,133,260
Total Other Financing Sources (Uses)	-	1,133,260	1,133,260
Net Change in Fund Balances	(1,881)	(328,858)	(330,739)
Fund Balances at Beginning of Year	(219,585)	159,338	(60,247)
Fund Balances at End of Year	$ (221,466)	$ (169,520)	$ (390,986)

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

Carbondale Park District
Prior Year Financial Statement Findings and Recommendations
For the Year Ended December 31, 2020

2018-1 Finding

Criteria or Specific Requirement -
Accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board, require entities to establish and maintain effective internal control over financial reporting to prepare timely and accurate financial reports.

Condition -
The year-end closing process was not comprehensive and did not ensure that account balances were reconciled and correct. We noted that sales tax amount does not match sales tax report filed.

Cause -
The Park District's closing process did not operate effectively to ensure all transactions were recorded in an accurate manner.

Effect -
Reconciliations and adjustments to year-end balances either are not recorded or are posted after the preparation of year-end reports. This decreases the relevance and usefulness of the reports.

Recommendation -
The Park District should ensure that adequate time is spent in reviewing and reconciling all accounts during year-end close to ensure that accurate information is reported to users of the financial information.

Management's Response and Corrective Action Plan –
Management will be more thorough in general review and reconciliation.

Carbondale Park District
Prior Year Financial Statement Findings and Recommendations
For the Year Ended December 31, 2020

2013-1 Finding -
Interest paid and compounded on the certificate of deposit is not posted to the general ledger.

Recommendation -
Interest earned and compounded should be posted to the general ledger.

Management Response -
Interest will be posted to the general ledger.

2012-2 Finding -
It appears that a substantial number of the payables are being recorded in the wrong period. In a few instances, payables were recorded when not necessary or not recorded at all.

Recommendation -
It is recommended to develop a consistent policy to record payables in the correct period and for the correct amount. When a bill is paid subsequent to year end, a determination should be made as to whether the amount was owed prior to year end. If the amount was owed prior to year end, the invoice should be put into accounts payable. Accounts payable should be reconciled at least quarterly.

Management Response -
This will be implemented for the next fiscal year.

2008-2 Finding -
In the recreation department, the current software program is only utilized for pre-registered individuals.

Recommendation -
Recreation department needs to enter walk-in and late registrations also for better documentation of revenue and enrollment of programs.

Management Response -
The Park District has not been able to find a good format or system to implement this.

Carbondale Park District
Prior Year Financial Statement Findings and Recommendations
For the Year Ended December 31, 2019

2006-3 Finding -
When gift certificates are issued at the golf course the revenue is posted to miscellaneous shop income and when redeemed offset to the same account.

Recommendation -
When the gift certificates are sold, they should be coded to deferred revenue. Then, when the gift certificates are redeemed, they should offset the deferred revenue and the sale of the merchandise purchased should be recorded.

Management Response -
The Park District chooses to post revenues at the time of purchase.