

**Kankakee Valley Park District
Kankakee, Illinois
Annual Financial Report
For the Year Ended May 31, 2017**

**Kankakee Valley Park District
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For the Year Ended May 31, 2017**

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Kankakee Valley Park District
Kankakee, 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 Kankakee Valley Park District as of and for the year ended May 31, 2017, 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. Management has chosen to present the financial statements on the modified cash basis of accounting.

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 of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Kankakee Valley Park District, as of May 31, 2017, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Accounting principles generally accepted in the United States of America require that certain pension disclosures be presented to supplement the basic financial statements. Such information, although not 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 other 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.

The management's discussion and analysis (MD&A) is not a required part of the financial statements but is other information required by the Governmental Accounting Standards Board. The management of the Kankakee Valley Park District has not prepared the MD&A for the year ending May 31, 2017, but will be prepared to include the document at a future date.

The major fund budgetary comparison schedules listed on the table of contents are not a required part of the basic financial statements but are other information required by the Governmental Accounting Standards Board. This other information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ending May 31, 2017 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kankakee Valley Park District's basic financial statements. The combining and individual fund financial schedules and schedules of debt service requirements for the year ended May 31, 2017 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial schedules and schedules of debt service requirements have 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 and individual fund financial schedules and schedules of debt service requirements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical information listed in the accompanying table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

October 26, 2017
Darien, Illinois

Knuttle & Associates, P.C.

Kankakee Valley Park District
Statement of Net Position - Modified Cash Basis
May 31, 2017

	Governmental Activities
ASSETS	
Cash	\$ 500,787
Capital Assets	
Capital Assets Not Being Depreciated	1,646,060
Other Capital Assets, Net of Depreciation	12,941,452
Total Capital Assets	<u>14,587,512</u>
TOTAL ASSETS	<u>15,088,299</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>
LIABILITIES	
Due Within One Year	
Credit Card Payable	11,870
Bonds Payable	653,000
Capital Lease Obligations	7,509
Due in More Than One Year	
Bonds Payable	1,122,510
Capital Lease Obligations	4,404
TOTAL LIABILITIES	<u>1,799,293</u>
TOTAL DEFERRED INFLOWS	<u>0</u>
NET POSITION	
Net Investment in Capital Assets	14,005,336
Restricted Amounts	
Special Recreation	331,301
Liability Insurance	992,188
Museum	55,342
Social Security	86,475
IMRF	27,961
Police	125,305
Paving and Lighting	72,182
Unrestricted Amounts	<u>(2,407,084)</u>
TOTAL NET POSITION	<u><u>\$ 13,289,006</u></u>

See Accompanying Notes to the Financial Statements.

**Kankakee Valley Park District
Statement of Activities - Modified Cash Basis
For the Year Ended May 31, 2017**

	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Change in Net Position
FUNCTIONS/PROGRAMS				Governmental Activities
Governmental Activities				
General Government	1,980,055	\$ 0	\$ 0	\$ (1,980,055)
Recreation	1,351,941	687,052	0	(664,889)
Interest on Long-Term Debt	34,834	0	0	(34,834)
Total Governmental Activities	<u>\$ 3,366,830</u>	<u>\$ 687,052</u>	<u>\$ 0</u>	<u>(2,679,778)</u>
GENERAL REVENUES				
Taxes				
Property taxes levied for general purposes				2,080,620
Replacement taxes for general purposes				174,458
Interest Income				101
Other Income				15,890
TOTAL GENERAL REVENUES				<u>2,271,069</u>
CHANGE IN NET POSITION				(408,709)
NET POSITION,				
BEGINNING OF YEAR				13,729,376
PRIOR PERIOD ADJUSTMENT				(31,661)
BEGINNING OF YEAR, RESTATED				<u>13,697,715</u>
END OF YEAR				<u>\$ 13,289,006</u>

See Accompanying Notes to the Financial Statements.

Kankakee Valley Park District
Statement of Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Balances (Deficits)
- Governmental Funds - Modified Cash Basis
May 31, 2017

	General	Recreation	Special Recreation	Liability Insurance	Debt Service	Capital Projects	Other Governmental Funds	Total
ASSETS								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,627	\$ 327,102	\$ 105,058	\$ 500,787
Due from Other Funds	681,447	0	331,301	992,188	0	878,145	262,207	3,145,288
TOTAL ASSETS	681,447	0	331,301	992,188	68,627	1,205,247	367,265	3,646,075
TOTAL DEFERRED OUTFLOWS	0	0	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS	681,447	0	331,301	992,188	68,627	1,205,247	367,265	3,646,075
LIABILITIES								
Payroll Liabilities	0	11,870	0	0	0	0	0	11,870
Due to Other Funds	0	2,898,492	0	0	91,476	0	155,320	3,145,288
TOTAL LIABILITIES	0	2,910,362	0	0	91,476	0	155,320	3,157,158
TOTAL DEFERRED INFLOWS	0	0	0	0	0	0	0	0
FUND BALANCES (DEFICITS)								
Restricted	0	0	331,301	992,188	0	0	367,265	1,690,754
Assigned	0	0	0	0	0	1,205,247	0	1,205,247
Unassigned	681,447	(2,910,362)	0	0	(22,849)	0	(155,320)	(2,407,084)
TOTAL FUND BALANCES (DEFICITS)	681,447	(2,910,362)	331,301	992,188	(22,849)	1,205,247	211,945	488,917
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES (DEFICITS)	\$ 681,447	\$ 0	\$ 331,301	\$ 992,188	\$ 68,627	\$ 1,205,247	\$ 367,265	

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund financial statements.	14,587,512
Bonds payable are not reported as liabilities in the fund financial statements.	(1,775,510)
Capital lease obligations are not reported as liabilities in the fund financial statements.	(11,913)

NET POSITION OF GOVERNMENTAL FUNDS \$ 13,289,006

See Accompanying Notes to the Financial Statements.

Kankakee Valley Park District
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances (Deficits)
- Governmental Funds - Modified Cash Basis
For the Year Ended May 31, 2017

	General	Recreation	Special Recreation	Liability Insurance	Debt Service	Capital Projects	Other Governmental Funds	Total
RECEIPTS								
Property Taxes	\$ 415,949	\$ 308,261	\$ 113,960	\$ 254,985	\$ 639,031	\$ 0	\$ 348,434	\$ 2,080,620
Replacement Taxes	174,458	0	0	0	0	0	0	174,458
Program Fees	0	518,594	0	0	0	0	0	518,594
Rental Income	44,085	124,373	0	0	0	0	0	168,458
Interest	3	0	0	0	98	0	0	101
Other Income	7,248	8,642	0	0	0	0	0	15,890
TOTAL RECEIPTS	641,743	959,870	113,960	254,985	639,129	0	348,434	2,958,121
EXPENDITURES								
Current								
General	804,047	0	0	99,402	0	9,829	274,097	1,187,375
Recreation	0	1,205,952	73,495	0	0	0	72,494	1,351,941
Debt Service	0	30,098	0	0	661,978	0	0	692,076
Capital Outlay	0	0	0	0	0	181,432	0	181,432
TOTAL EXPENDITURES	804,047	1,236,050	73,495	99,402	661,978	191,261	346,591	3,412,824
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	(162,304)	(276,180)	40,465	155,583	(22,849)	(191,261)	1,843	(454,703)
OTHER FINANCING SOURCES (USES)								
Issuance of Debt	0	0	0	0	0	908,000	0	908,000
Issuance of Premium	0	0	0	0	0	11,784	0	11,784
Issuance of Discount	0	0	0	0	0	(11,350)	0	(11,350)
TOTAL OTHER FINANCING SOURCES	0	0	0	0	0	908,434	0	908,434
NET CHANGES IN FUND BALANCES (DEFICITS)	(162,304)	(276,180)	40,465	155,583	(22,849)	717,173	1,843	453,731
FUND BALANCES (DEFICITS), BEGINNING OF YEAR PRIOR PERIOD	875,412	(2,634,182)	290,836	836,605	193,098	294,976	210,102	66,847
ADJUSTMENT	(31,661)	0	0	0	(193,098)	193,098	0	(31,661)
BEGINNING OF YEAR, RESTATE	843,751	(2,634,182)	290,836	836,605	0	488,074	210,102	35,186
END OF YEAR	\$ 681,447	\$ (2,910,362)	\$ 331,301	\$ 992,188	\$ (22,849)	\$ 1,205,247	\$ 211,945	\$ 488,917

See Accompanying Notes to the Financial Statements.

Kankakee Valley Park District
Reconciliation of the Statement of Revenues Received, Expenditures
Disbursed, and Changes in Fund Balances (Deficits) to the Statement of Activities
- Modified Cash Basis
For the Year Ended May 31, 2017

Net Change in Fund Balances - Total Governmental Funds (Combined Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances - Governmental Funds)	\$ 453,731
Amounts reported for governmental activities in the Statement of Activities - Modified Cash Basis are different because:	
Depreciation of capital assets is not considered an expenditure in the fund financial statements.	(789,166)
Purchases of capital assets are treated as an expenditure in the fund financial statements.	177,484
Bond proceeds are treated as an other financing source in the fund financial statements.	(908,000)
Payments of bond principal are treated as an expenditure in the fund financial statements.	630,000
Payments of note payable principal are treated as an expenditure in the fund financial statements.	11,729
Payments of capital lease obligation principal are treated as an expenditure in the fund financial statements.	<u>15,513</u>
Change in Net Position of Governmental Activities (Statement of Activities - Modified Cash Basis)	<u>\$ (408,709)</u>

See Accompanying Notes to the Financial Statements

**Kankakee Valley Park District
Notes To The Financial Statements
For the Year Ended May 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Kankakee Valley Park District (Park District) was incorporated under the laws of the State of Illinois and is located in Kankakee, Illinois. The Park District operates under a President-Commissioner form of government, providing recreation and other services to the residents of Kankakee, which include recreation programs, park management, capital development, and general administration.

A. Reporting Entity

The Park District follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Park District has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the Park District is not required to be included as a component unit of any other entity.

B. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Park District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

Kankakee Valley Park District
Notes To The Financial Statements (Continued)
For the Year Ended May 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Major individual governmental funds are reported as separate columns in the fund financial statements. Interfund receivables and payables are eliminated in the Statement of Net Positions except for the net residual amounts due between governmental activities. These are presented as internal balances.

Amounts reported as program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Likewise, general revenues include all taxes.

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets and deferred outflows, liabilities and deferred inflows, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or non-major funds within the governmental fund statements. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type and
- Total assets and deferred outflows, liabilities and deferred outflows, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

**Kankakee Valley Park District
Notes To The Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds (Governmental Activities)

Governmental fund types are those through which most governmental functions of the Park District are financed. The Park District's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the Park District's governmental funds follows:

General Fund

The General Fund is the general operating fund of the Park District. It is used to account for and report all financial resources not accounted for or reported in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Funds included in this fund category are:

Recreation	Social Security
Special Recreation	IMRF
Liability Insurance	Police
Museum	Paving and Lighting
Audit	

Debt Service Fund

The Bond and Interest Fund is a debt service fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets, excluding those types of capital related outflows financed by proprietary funds.

Kankakee Valley Park District
Notes To The Financial Statements (Continued)
For the Year Ended May 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds (Governmental Activities) Continued

MAJOR FUNDS

The Park District reports the following major governmental funds:

- The General Fund, which accounts for the Park District's primary operating activities.
- The Recreation Fund, which accounts for the operations of the recreation programs offered to residents. Financing is provided by a specific annual property tax levy to the extent user charges are not sufficient to provide such financing. The Recreation Fund also includes the operations of the Aquatic Center and the Ice Valley Center.
- The Special Recreation Fund, which provides recreational facilities and programs for the handicapped and is funded by a special levy.
- The Liability Insurance Fund, which insures the Park District against claims for unemployment, property, workers' compensation, and various other liabilities.
- The Debt Service Fund, which accounts for the accumulation of resources for the payment of long-term debt principal, interest and related costs.
- The Capital Projects Fund, which accounts for the acquisition and construction of major capital facilities.

NON-MAJOR FUNDS

The Park District reports the following non-major funds:

- Museum, Audit, Social Security, IMRF, Police and Paving and Lighting.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures (or expenses) and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting also refers to the timing of the measurements made, regardless of the measurement focus applied. The government-wide Statement of Net Position and Statement of Activities were both prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). The fund financial statements were prepared on the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when collected and expenditures are recognized when paid. Furthermore, only assets, liabilities, and fund balances arising from cash transactions are recognized.

Accordingly, recognition of receivables, payables, and other accrued or deferred items is not applicable. The difference between the modified cash basis of accounting and the cash basis of accounting is that the modified cash basis of accounting includes capital assets, credit card payables, bonds payable and capital lease obligations, which the cash basis of accounting does not.

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Standards established by Generally Accepted Auditing Standards (GAAS) require GAAP for governmental units. Conformance with GAAP would require the financial statements to be prepared on the accrual or modified accrual basis of accounting. Accordingly, these financial statements are not intended to present the financial position and results of operations in conformity with GAAP.

D. Measurement Focus

On the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the flow of economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the modified cash basis of accounting, is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

E. 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 and liabilities 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.

F. Budgetary Data

The Board of Commissioners followed these procedures in establishing the budgetary data reflected in the financial statements. The Director submits to the Board of Commissioners a proposed operating budget for the upcoming fiscal year commencing June 1. The operating budget includes proposed expenditures and the means for financing. The budgetary operations of the Park are governed by appropriation laws detailed in the Illinois Park District Code. Notice is given, and public meetings are conducted to obtain taxpayer comments. The Board may add to, subtract from, or change appropriations, but may not change the form of the budget.

Prior to the end of the first quarter of each fiscal year, the budget is legally enacted through the passage of an annual combined budget and appropriation ordinance. Budgets are legally adopted on a basis consistent with the modified cash basis of accounting. Expenditures may not legally exceed appropriations at the fund level. Any expenditures in excess of the legally adopted appropriation must be approved by the Park District Board through a supplemental appropriation. No supplemental appropriations were required during fiscal year 2017.

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Data (Continued)

After the first six months of any fiscal year, the Park District Board may, by a two-thirds vote, amend the initially approved appropriation ordinance. Unused appropriations lapse at the end of the fiscal year. Expenditures legally may not exceed the total of appropriations and beginning fund balance at the fund level. Management can make transfers between individual expenditure categories of a fund (i.e., services, utilities, etc.) for up to 10% of the budgeted amount. However, Board of Commissioners approval is required in order for management to make transfers between different funds.

G. Budget Basis of Accounting

Budgetary information for individual funds is prepared on the same basis as the general purpose financial statements. The budget is prepared in accordance with the Illinois Park District Code and is derived from the combined annual budget and appropriation ordinance of the Park District. Working budgets are prepared for all governmental fund types. All budgets are prepared based on the annual fiscal year of the Park District. Budgetary funds are controlled by an integrated budgetary accounting system in accordance, where applicable, with various legal requirements which govern the Park District.

H. Cash and Cash Equivalents

The Park District considers all highly liquid investments with an initial maturity date within three months of the date acquired by the Park District and investment pools to be cash equivalents.

I. Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements. The Park District has adopted a capitalization threshold of \$5,000.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and Building Improvements	10 to 50 Years
Land Improvements	10 to 50 Years
Equipment and Furniture	5 to 20 Years

FUND FINANCIAL STATEMENTS

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlays in the fund from which the expenditure was made. Public domain (infrastructure) capital assets consisting of roads, curbs and gutters, sidewalks, drainage systems, and lighting systems are not capitalized in the fund financial statements.

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Liabilities

In the government-wide financial statements, debt principal payments of both governmental activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

K. Property Taxes

Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and July 1 of the following year. They are payable in two installments on or about March 1 and August 1 of the following year. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they are received.

Current year revenues in the fund financial statements consist entirely of the 2015 tax levy.

L. Equity Classifications

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

- Net Investment in capital assets – consists of capital assets, net of accumulated depreciation and related debt, if applicable.
- Restricted Amounts – consists of amounts with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Amounts – consists of all other amounts that do not meet the definition of restricted or invested in capital assets.

FUND FINANCIAL STATEMENTS

Governmental fund equity is classified as fund balance. The components of fund balance are:

- Non-spendable – consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.
- Restricted – consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed – consists of resources constrained (issuance of an ordinance) to specific purposes by a government itself, using its highest level of decision-making authority, the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications (Continued)

FUND FINANCIAL STATEMENTS (CONTINUED)

- Assigned – amounts that are constrained by the Board of Commissioners' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board of Commissioners itself or (b) a body or official to which the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Commissioners, which is authorized to assign amounts to a specific purpose.
- Unassigned – consists of the residual net resources of a fund that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

The Park District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If different levels of unrestricted funds are available for spending, the Park District considers committed funds to be expended first followed by assigned and, lastly, unassigned funds.

Fund Balance Classification	Other							Total
	General	Recreation	Special Recreation	Liability Insurance	Debt Service	Capital Projects	Governmental Funds	
Non-spendable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted								
Special Recreation	0	0	331,301	0	0	0	0	331,301
Liability Insurance	0	0	0	992,188	0	0	0	992,188
Debt Service	0	0	0	0	0	0	0	0
Museum	0	0	0	0	0	0	55,342	55,342
Social Security	0	0	0	0	0	0	86,475	86,475
IMRF	0	0	0	0	0	0	27,961	27,961
Police	0	0	0	0	0	0	125,305	125,305
Paving and Lighting	0	0	0	0	0	0	72,182	72,182
Committed	0	0	0	0	0	0	0	0
Assigned								
Capital Projects	0	0	0	0	0	1,205,247	0	1,205,247
Unassigned	681,447	(2,910,362)	0	0	(22,849)	0	(155,320)	(2,407,084)
	<u>\$ 681,447</u>	<u>\$ (2,910,362)</u>	<u>\$ 331,301</u>	<u>\$ 992,188</u>	<u>\$ (22,849)</u>	<u>\$ 1,205,247</u>	<u>\$ 211,945</u>	<u>\$ 488,917</u>

M. GASB Pronouncements

In June 1999, the GASB issued Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. The requirements of this Statement are effective in three phases based on a government's total revenues in the first year ending after June 15, 1999. The Park District has adopted this Statement for the period beginning June 1, 2004.

Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity", is an amendment of GASB Statements No. 14 and No. 39, which does not have impact on the current year financial statements.

Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. GASB Pronouncements (Continued)

As of June 1, 2016, the District has implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government’s net position.

As of June 1, 2016, the District has implemented GASB Statement No. 65 “Items previously reported as Assets and Liabilities”. The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Statement also recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets and liabilities.

As of June 1, 2015, the Association has implemented GASB Statement No. 68 “Accounting and Financial Reporting for Pensions” which is an amendment of GASB Statement No. 27. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Upon implementation of GASB 68, the Association has also implemented GASB Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.

NOTE 2 – CASH AND INVESTMENTS

A. Bank Deposits

Cash, cash equivalents, and investments are held separately and in pools by several of the Park District's funds. At May 31, 2017, the carrying amount of the Park District's deposits was \$497,324, which excludes a \$3,463 petty cash fund and the bank balance was \$558,654. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

	Carrying Amount	Bank Balances
Category 1	\$ 258,758	\$ 320,088
Category 2	0	0
Category 3	203,208	203,208
The Illinois Funds	35,358	35,358
Total Bank Deposits	<u>\$ 497,324</u>	<u>\$ 558,654</u>

Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

A. Bank Deposits (Continued)

Category 1 includes deposits covered by depositing insurance or collateral held by the Park District in the Park District's name.

Category 2 includes deposits covered by collateral held by the financial institution's trust department in the Park District's name.

Category 3 includes deposits which are uncollateralized or the collateral is held by the financial institution's trust department but not in the Park District's name.

B. Investments

The District may, upon adoption of an ordinance, elect to invest in:

- Its own general obligation bonds.
- Its own tax anticipation warrants, bearing, interest at a rate not to exceed 4% per annum.
- Bonds or other interest-bearing obligations of the United States or State of Illinois.
- Savings accounts or certificates of deposit of any state or national bank that are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).
- Treasury notes and other securities issued by agencies of the United States.
- Bonds, notes, certificates of indebtedness, treasury bills, or other securities guaranteed by the full faith and credit of the United States.
- Certificates of deposit or time deposits constituting direct obligations of any bank, as defined in the Illinois Banking Act.
- Short-term obligations of corporations organized in the United States with assets exceeding \$500 million, if:
 1. such obligations are rated at the time of purchase within the highest standard rating services by at least two rating agencies' and which mature not later than 270 days from the date of purchase;
 2. no more than 25% of any fund is invested in such obligations at any time; and
 3. such purchases do not exceed 10% of the corporation's outstanding obligations.
- Shares or other securities of any state or federally chartered savings and loan association, the shares of investment certificates of which are insured by the Federal Savings and Loan Insurance Corporation.
- The Illinois Governmental Cash Investment Fund.

At May 31, 2017, investments consist of an investment in the Illinois Funds, created in 1975 by the Illinois General Assembly. The fund is subject to an annual audit by an outside audit firm and conducts an annual internal audit. This pooled investment with other municipalities is similar in nature to a money market fund and consists primarily of certificates of deposit, U.S. Government securities, commercial paper, and corporate bonds. Because individual securities are not owned by the District, amounts invested in the Illinois Funds are not categorized. The District's value in the pool is based on the average maturity of the pool's investments. Further, the fair value of the District's position in the pool is equal to the value of its pool shares.

Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

C. Policies for Investments

It is the policy of the Park District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank’s failure, the District’s deposits may not be returned to it. The District’s investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral held by a third party in the District’s name.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the year follows for the governmental activities. Total depreciation expense for the year charged for governmental activities was \$789,166.

	Balance May 31, 2016	Additions	Dispositions	Balance May 31, 2017
Governmental Activities				
Assets, Not Subject to Depreciation:				
Land	\$ 1,646,060	\$ 0	\$ 0	\$ 1,646,060
Assets Subject to Depreciation:				
Land Improvements	3,499,272	0	0	3,499,272
Buildings and Improvements	15,004,350	94,513	0	15,098,863
Equipment and Furniture	5,361,549	82,971	0	5,444,520
Total Assets Subject to Depreciation	<u>23,865,171</u>	<u>177,484</u>	<u>0</u>	<u>24,042,655</u>
Less Accumulated Depreciation for:				
Land Improvements	(2,749,074)	(152,640)	0	(2,901,714)
Buildings and Improvements	(4,135,340)	(365,634)	0	(4,500,974)
Equipment and Furniture	(3,427,623)	(270,892)	0	(3,698,515)
Total Accumulated Depreciation	<u>(10,312,037)</u>	<u>(789,166)</u>	<u>0</u>	<u>(11,101,203)</u>
Net Capital Assets Subject to Depreciation	<u>13,553,134</u>	<u>(611,682)</u>	<u>0</u>	<u>12,941,452</u>
Net Capital Assets - Governmental Activities	<u>\$ 15,199,194</u>	<u>\$ (611,682)</u>	<u>\$ 0</u>	<u>\$ 14,587,512</u>

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 4 - DEBT COMMITMENTS

A. Debt Transactions

A summary of changes in the debt commitments of the District for the year ended May 31, 2017 is as follows:

	Balance May 31, 2016	New Issues	Principal Paid	Balance May 31, 2017	Amount Due Within One Year
General Obligation Bonds					
Series 2014A Limited Tax	\$ 429,000	\$ 0	\$ 429,000	\$ 0	\$ 0
Series 2014B Limited Tax	854,000	0	201,000	653,000	653,000
Series 2015 Limited Tax	214,510	0	0	214,510	0
Series 2017A Taxable	0	729,000	0	729,000	0
Series 2017B Limited Tax	0	179,000	0	179,000	0
Note Payable					
First Trust Bank of Illinois	11,729	0	11,729	0	0
	<u>\$ 1,509,239</u>	<u>\$ 908,000</u>	<u>\$ 641,729</u>	<u>\$ 1,775,510</u>	<u>\$ 653,000</u>

Series 2014B General Obligation Park Bond: Originally issued for \$854,000 dated October 23, 2014, provides for principal payments of \$201,000 to \$653,000 due December, 1 2016 - 2017; interest is payable on June and December 1 at rates ranging from 2.25% to 2.375%.

Series 2015 General Obligation Park Bond: Originally issued for \$214,510 dated November 2, 2015, provides for a principal payment of \$214,510 due December, 1 2018; interest is payable on June and December 1 at 3.5%.

Series 2017A General Obligation Park Bond: Originally issued for \$729,000 dated January 25, 2017, provides for principal payments of \$79,000 to \$225,000 due December, 1 2018 - 2021; interest is payable on June and December 1 at 9.5%.

Series 2017B General Obligation Park Bond: Originally issued for \$179,000 dated January 25, 2017, provides for principal payments of \$75,000 to \$104,000 due December, 1 2020 - 2021; interest is payable on June and December 1 at 6.35%.

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 4 - DEBT COMMITMENTS (CONTINUED)

B. Annual Debt Service Requirements

Total debt service to maturity on outstanding debt is as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 653,000	\$ 91,545	\$ 744,545
2019	414,510	88,130	502,640
2020	225,000	61,622	286,622
2021	300,000	40,247	340,247
2022	183,000	14,109	197,109
	<u>\$ 1,775,510</u>	<u>\$ 295,653</u>	<u>\$ 2,071,163</u>

C. Capital Lease Obligations

The District leases recreational equipment with a historical cost of \$34,969 and office furniture with a historical cost of \$24,353 through capital lease agreements which are recorded in the Governmental funds.

The change in capital lease obligations for the year ending May 31, 2017 is as follows:

	Governmental Funds
Lease Obligation, May 31, 2016	\$ 27,426
Lease Issuance	0
Payments Made	<u>(15,513)</u>
Lease Obligation, May 31, 2017	<u>\$ 11,913</u>

NOTE 5 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

At May 31, 2017, the following funds had expenditures in excess of budgeted amounts:

Fund	Budgeted Expenditures	Actual Expenditures	Variance
Recreation	\$ 779,337	\$ 1,236,050	\$ (456,713)
Special Recreation	73,177	73,495	(318)
Audit	78,000	99,681	(21,681)
IMRF	69,072	101,045	(31,973)
Police	0	12,262	(12,262)

NOTE 6 - DEFICIT FUND BALANCES

At May 31, 2017, the District's following funds had deficit fund balances:

Fund	Deficit Fund Balance
Recreation	\$ (2,910,362)
Debt Service	(22,849)
Audit	(155,320)

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 7 – INTERFUND RECEIVABLES/PAYABLES

During the normal course of Park operations, interfund balances are created. Amounts due to and due from other funds arise during the course of the Park District's operations because of numerous transactions between funds to finance operations, provide services, construct assets and service debt. The following interfund receivables and payables exist at May 31, 2017:

Fund	Due from Other Funds	Due to Other Funds
General	\$ 681,447	\$ 0
Recreation	0	2,898,492
Special Recreation	331,301	0
Liability Insurance	992,188	0
Debt Service	0	91,476
Capital Projects	878,145	0
Museum	17,940	0
Audit	0	155,320
Social Security	48,723	0
IMRF	27,961	0
Police	108,507	0
Paving and Lighting	59,076	0
	<u>\$ 3,145,288</u>	<u>\$ 3,145,288</u>

NOTE 8 – PRIOR PERIOD ADJUSTMENT

During the year ended May 31, 2017, the May 31, 2016 fund balance in the General Fund was restated by \$(31,661) to correct errors in cash, payroll and credit card payables.

During the year ended May 31, 2017, the May 31, 2016 fund balance in the Debt Service Fund was restated by \$(193,098) and the fund balance in the Capital Projects Fund was restated by \$193,098 to correct errors in prior year debt payment classifications.

NOTE 9 – MISAPPROPRIATION OF TAXPAYER FUNDS IN PRIOR YEARS

Park District funds were identified as being misappropriated by the former Executive Director prior to May 31, 2016. The misappropriation of funds, which are fraudulent in nature, by the former Executive Director is currently being investigated by the Illinois State Police, the Federal Bureau of Investigation, and the Federal Deposit Insurance Corporation Office of Inspector General. As of May 31, 2017, Park District management does not expect the misappropriated assets to be recovered.

NOTE 10 - RISK MANAGEMENT

Park District Risk Management Agency

The Kankakee Valley Park District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since December 1, 2002, the Kankakee Valley Park District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park and forest preserve districts, special recreation associations, and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members.

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 10 - RISK MANAGEMENT (CONTINUED)

Park District Risk Management Agency (Continued)

The following table is a summary of the coverage in effect for the period January 1, 2017 through January 1, 2018:

Coverage	Member Deductible	PDRMA Self- Insured Retention	Limits	Insurance Company	Policy Number
1. Property					
All losses per occurrence	\$1,000	\$1,000,000	\$1,000,000,000/all members Declaration 11	PDRMA	P070116
Flood/except Zones A&V	\$1,000	\$1,000,000	\$250,000,000/occurrence/annual aggregate	Reinsurers: Various	
Flood, Zones A & V	\$1,000	\$1,000,000	\$200,000,000/occurrence/annual aggregate	Reinsurers through the Public Entity	
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/occurrence/annual aggregate	Property Reinsurance Program (PEPIP)	
Auto Physical Damage Comprehensive and Collision	\$1,000	\$1,000,000	Included		
Course of Construction	\$1,000	Included	\$25,000,000		
Business Interruption, Rental Income, Tax Income Combined	\$1,000		\$100,000,000/ reported values \$500,000/ \$2,500,000 reported values non-reported values		
Service Interruption	24 hours	N/A	\$25,000,000		
			OTHER SUB-LIMITS APPLY - REFER TO COVERAGE DOCUMENT		
Boiler and Machinery Property damage	\$1,000	\$9,000	\$100,000,000 Equipment Breakdown Property damage - included	Travelers Indemnity Co. of Illinois	BME10525L478
Business Income	48 hours	N/A	Included		
			OTHER SUB-LIMITS APPLY - REFER TO COVERAGE DOCUMENT		
Fidelity and Crime Seasonal employees	\$1,000	\$24,000	\$2,000,000/ocurrence \$1,000,000/occurrence	National Union Fire Insurance Co.	04-589-00-90
Blanket bond	\$1,000	\$24,000	\$2,000,000/occurrence		
2. Workers Compensation					
Employers' Liability	N/A	\$500,000	Statutory	PDRMA	WC010117
		\$500,000	\$3,500,000 Employers Liability	Government Entities Mutual (GEM) Safety National	GEM-0003- A17001 SP4056302
3. Liability					
General	None	\$500,000	\$21,500,000/occurrence	PDRMA	L010117
Auto Liability	None	\$500,000	\$21,500,000/occurrence	Reinsurers:	GEM-0003-
Employment Practices	None	\$500,000	\$21,500,000/occurrence	GEM/Great	A17001
Public Officials' Liability	None	\$500,000	\$21,500,000/occurrence	American/Genesis	C501
Law Enforcement Liability	None	\$500,000	\$21,500,000/occurrence		
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/occurrence		

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 10 - RISK MANAGEMENT (CONTINUED)

Park District Risk Management Agency (Continued)

Coverage	Member Deductible	PDRMA Self- Insured Retention	Limits	Insurance Company	Policy Number
4. Pollution Liability					
Liability - Third Party	None	\$25,000	\$5,000,000/occurrence	XL Environmental Insurance	PEC 2535805
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 yr. aggregate		
5. Outbreak Expense					
	24 hours	N/A	\$15,000 per day \$1 million aggregate policy limit	Great American	OB010117
6. Information Security and Privacy Insurance with Electronit Media Liability Coverage					
Information Security & Privacy Liability	None	\$100,000	\$2,000,000/occurrence/annual aggregate	Beazley Lloyds Syndicate AFB 2623/623 through the PEPIP program	PH1533938
Privacy Notification Costs	None	\$100,000	\$500,000/occurrence/annual aggregate		
Regulatory Defense & Penalties	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
Websit Media Content Liability	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
Cyber Extortion	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
Data Protection & Business Interruption	\$1,000	\$100,000	\$2,000,000/occurrence/annual aggregate		
First Party Business Interruption	8 hours	\$100,000	\$25,000 hourly sublimit/\$25,000 forensic expense/\$100,000 dependent business interruption		
7. Volunteer Medical Accident					
	None	\$5,000	\$5,000 medical expense and AD&D excess of any other collectable insurance	Self-insured	
8. Underground Storage Tank Liability					
	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund	Self-insured	
9. Unemployment Compensation					
	N/A	N/A	Statutory	Member Funded	

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

Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017

NOTE 10 – RISK MANAGEMENT (CONTINUED)

Park District Risk Management Agency (Continued)

As a member of PDRMA's Property/Casualty Program, the Park District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the Park District and PDRMA is governed by a contract and the by-laws that have been adopted by resolution of the Park District's governing body. The Park District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by PDRMA.

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

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

The following represents a summary of PDRMA's Property/Casualty Program's balance sheet at December 31, 2016 and the statement of revenues and expenses for the period ending December 31, 2016. The Kankakee Valley Park District's portion of the overall equity of the pool is -0.027% or (\$10,903).

Assets	\$	62,209,572
Deferred Outflows of Resources - Pension	\$	1,117,312
Liabilities	\$	23,580,657
Deferred Inflows of Resources - Pension	\$	34,088
Member Balances	\$	39,712,139
Revenues	\$	20,508,977
Expenditures	\$	21,505,049

Since 92.44% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

NOTE 11 – SUBSEQUENT EVENTS

The date to which events occurring after May 31, 2017, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is October 26, 2017, the date the financial statements were available to be issued.

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 12 – PENSION COMMITMENT

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 plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and other information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent 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 annual required contribution rate for calendar year 2016 was 7.43 percent. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2016 was \$105,070.

Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017

NOTE 12 – PENSION COMMITMENT (CONTINUED)

In accordance with GASB Statement No. 68, “Accounting and Financial Reporting for Pensions – An amendment of GASB No. 27,” the following information is provided:

Actuarial Valuation Date	December 31, 2016
Measurement Date of the Net Pension Liability	December 31, 2016
Fiscal Year End	May 31, 2017

Membership

Number of	
- Retirees and Beneficiaries	11
- Inactive, Non-Retired Members	35
- Active Members	18
- Total	<u>64</u>

Covered Valuation Payroll	<u>\$ 707,064</u>
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Net Pension Liability

Total Pension Liability/(Asset)	\$ 3,544,420
Plan Fiduciary Net Position	<u>3,643,088</u>
Net Pension Liability/(Asset)	<u>\$ (98,668)</u>
Plan Fiduciary Net Position as a Percentage of total Pension liability	102.78%
Net Pension Liability as a Percentage of Covered Valuation Payroll	-13.95%

Development of the Single Discount Rate as of December 31, 2016

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.78%
Last year December 31 in the 2017 to 2116 projection period for which projected benefit payments are fully funded	2116
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate Calculated using December 31, 2015 Measurement Date	7.50%

Total Pension Expense/(Income)	<u>\$ (87,208)</u>
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Deferred Outflows and Deferred Inflows of Resources by Source
(to be recognized in Future Pension Expenses)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
1. Difference between expected and actual experience	\$ 0	\$ 126,886
2. Assumption Changes	0	0
3. Net Difference between projected and actual earnings on pension plan investments	<u>159,064</u>	<u>0</u>
4. Total	<u>\$ 159,064</u>	<u>\$ 126,886</u>

Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017

NOTE 12 – PENSION COMMITMENT (CONTINUED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD
Calendar Year Ended December 31, 2016

A. Total pension liability	
1. Service cost	\$ 79,331
2. Interest on the total pension liability	260,106
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the total pension liability	(157,247)
5. Changes of assumptions	0
6. Benefit payments, including refunds of employee contributions	<u>(132,375)</u>
7. Net change in total pension liability	49,815
8. Total pension liability – beginning	<u>3,494,605</u>
9. Total pension liability – ending	<u><u>\$ 3,544,420</u></u>
B. Plan fiduciary net position	
1. Contributions – employer	\$ 52,535
2. Contributions – employee	31,818
3. Net investment income	232,972
4. Benefit payments, including refunds of employee contributions	(132,375)
5. Other (net transfer)	<u>127,930</u>
6. Net change in plan fiduciary net position	312,880
7. Plan fiduciary net position – beginning	<u>3,330,208</u>
8. Plan fiduciary net position – ending	<u><u>\$ 3,643,088</u></u>
C. Net pension liability/(asset)	<u><u>\$ (98,668)</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	102.78%
E. Covered Valuation Payroll	\$ 707,064
F. Net pension liability as a percentage of covered valuation payroll	-13.95%

**Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017**

NOTE 12 – PENSION COMMITMENT (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources by Year to be recognized
in Future Pension Expenses

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ (14,135)
2018	(2,169)
2019	44,524
2020	3,958
Total	<u>\$ 32,178</u>

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality table applying the same adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

There were no benefit changes during the year.

Kankakee Valley Park District
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2017

NOTE 12 – PENSION COMMITMENT (CONTINUED)

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, 2016:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	2.65% - 7.35%
Cash Equivalents	1%	2.25%
	100%	

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph. The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR 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) 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 this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.78%; and the resulting single discount rate is 7.50%.

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE
SINGLE DISCOUNT RATE ASSUMPTION

	1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 4,005,642	\$ 3,544,420	\$ 3,170,628
Plan Fiduciary Net Position	3,643,088	3,643,088	3,643,088
Net Pension Liability/(Asset)	\$ 362,554	\$ (98,668)	\$ (472,460)

Kankakee Valley Park District
IMRF Pension Disclosures
For the Year Ended May 31, 2017

In accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statements No. 27", the financial statements of employers also include other information showing the 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll, and
- Comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Last 10 Plan Years (When Available)

<u>Plan Year Ending December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 65,757	\$ 66,502	\$ (745)	\$ 748,094	8.89%
2016	52,535 *	52,535	0	707,064	7.43%

* Estimated based on contribution rate of 7.43% and covered valuation payroll of \$707,064.

**Kankakee Valley Park District
IMRF Pension Disclosures (Continued)
For the Year Ended May 31, 2017**

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: Actuarially determined contribution rates are calculated as of December 31st of 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 2016 Contribution Rates:

<p>Actuarial Cost Method Amortization Method Remaining Amortization Period</p>	<p>Aggregate Entry-Age Normal Level Percentage of Payroll, Closed Non-Taxing bodies : 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 27-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 22 years for most employers (two employers were financed over 31 years).</p>
<p>Asset Valuation Method Wage Growth Price Inflation</p>	<p>5-Year smoothed market; 20% corridor 3.50% 2.75% - approximate; No explicit price inflation assumption is used in this valuation.</p>
<p>Salary Increases Investment Rate of Return Retirement Age</p>	<p>3.75% to 14.50% including inflation 7.50% Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.</p>
<p>Mortality</p>	<p>For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.</p>

Other Information: There were no benefit changes during the year.

Kankakee Valley Park District
IMRF Pension Disclosures (Continued)
For the Year Ended May 31, 2017

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Plan Years (When Available)

Plan Year Ending December 31,	2016	2015
Total pension liability		
Service cost	\$ 79,331	\$ 76,679
Interest on the total pension liability	260,106	247,881
Changes of benefit terms	0	0
Difference between expected and actual experience of the total pension liability	(157,247)	(51,290)
Changes of assumptions	0	0
Benefit payments, including refunds of employee contributions	(132,375)	(90,800)
Net change in total pension liability	49,815	182,470
Total pension liability— beginning	3,494,605	3,312,135
Total pension liability – ending	<u>\$ 3,544,420</u>	<u>\$ 3,494,605</u>
Plan fiduciary net position		
Contributions – employer	\$ 52,535	\$ 66,502
Contributions – employee	31,818	34,031
Net investment income	232,972	17,643
Benefit payments, including refunds of employee contributions	(132,375)	(90,800)
Other (net transfer)	127,930	(220,961)
Net change in plan fiduciary net position	312,880	(193,585)
Plan fiduciary net position		
Beginning	3,330,208	3,523,793
Ending	<u>\$ 3,643,088</u>	<u>\$ 3,330,208</u>
Net pension liability / (asset)	<u>\$ (98,668)</u>	<u>\$ 164,397</u>
Plan fiduciary net position as a percent of the total pension liability	102.78%	95.30%
Covered Valuation Payroll	\$ 707,064	\$ 748,094
Net pension liability as a percent of covered valuation payroll	-13.95%	21.98%

Other Information

**Kankakee Valley Park District
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended May 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
RECEIPTS				
Property Taxes	\$ 420,988	\$ 420,988	\$ 415,949	\$ (5,039)
Replacement Taxes	131,592	131,592	174,458	42,866
Rental Income	108,000	108,000	44,085	(63,915)
Interest Income	0	0	3	3
Other Income	15,622	15,622	7,248	(8,374)
Sponsorships and Donations	21,350	21,350	0	(21,350)
Special Events	48,014	48,014	0	(48,014)
TOTAL RECEIPTS	745,566	745,566	641,743	(103,823)
EXPENDITURES				
Current				
General				
Salaries and Employee Benefits	1,003,127	1,003,127	652,236	350,891
Contractual Services	50,640	50,640	89,414	(38,774)
Office	16,970	16,970	14,302	2,668
Property Tax Payments	7,174	7,174	14,851	(7,677)
Utilities	133,740	133,740	8,408	125,332
Travel and Conferences	7,200	7,200	435	6,765
Memberships and Dues	7,840	7,840	4,620	3,220
Special Events	21,275	21,275	0	21,275
Bank Fees	10,500	10,500	11,617	(1,117)
Repairs and Maintenance	115,632	115,632	8,164	107,468
Publications and Printing	57,591	57,591	0	57,591
TOTAL EXPENDITURES	1,431,689	1,431,689	804,047	627,642
NET CHANGE IN FUND BALANCE	\$ (686,123)	\$ (686,123)	(162,304)	\$ 523,819
FUND BALANCE,				
BEGINNING OF YEAR			875,412	
PRIOR PERIOD ADJUSTMENT			(31,661)	
BEGINNING OF YEAR, RESTATED			<u>843,751</u>	
END OF YEAR			<u>\$ 681,447</u>	

**Kankakee Valley Park District
Recreation Fund
Budgetary Comparison Schedule
For the Year Ended May 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
RECEIPTS				
Property Taxes	\$ 311,995	\$ 311,995	\$ 308,261	\$ (3,734)
Program Fees				
Recreation	193,700	193,700	218,120	24,420
Ice	359,700	359,700	300,474	(59,226)
Rental Income	27,000	27,000	124,373	97,373
Other Income	400	400	8,642	8,242
TOTAL RECEIPTS	<u>892,795</u>	<u>892,795</u>	<u>959,870</u>	<u>67,075</u>
EXPENDITURES				
Current				
Recreation				
Aquatic				
Contractual Services	4,000	4,000	300	3,700
Utilities	19,400	19,400	19,400	0
Repairs and Maintenance	27,000	27,000	6,856	20,144
Ice				
Salaries and Employee Benefits	139,440	139,440	72,221	67,219
Contractual Services	33,052	33,052	111,835	(78,783)
Office	3,500	3,500	29,293	(25,793)
Utilities	119,652	119,652	119,652	0
Programs and Special Events	14,905	14,905	4,632	10,273
Repairs and Maintenance	15,500	15,500	658	14,842
Concessions	29,454	29,454	0	29,454
River Road and Other Recreation				
Salaries and Employee Benefits	215,858	215,858	182,712	33,146
Contractual Services	58,250	58,250	112,401	(54,151)
Equipment and Supplies	5,216	5,216	41,724	(36,508)
Utilities	43,432	43,432	214,134	(170,702)
Travel and Conferences	0	0	402	(402)
Memberships and Dues	0	0	1,279	(1,279)
Programs and Special Events	22,200	22,200	105,741	(83,541)
Repairs and Maintenance	3,500	3,500	109,857	(106,357)
Concessions	24,978	24,978	19,555	5,423
Publications and Printing	0	0	53,300	(53,300)
Debt Service				
Principal	0	0	27,242	(27,242)
Interest	0	0	2,856	(2,856)
TOTAL EXPENDITURES	<u>779,337</u>	<u>779,337</u>	<u>1,236,050</u>	<u>(456,713)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 113,458</u>	<u>\$ 113,458</u>	<u>(276,180)</u>	<u>\$ (389,638)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>(2,634,182)</u>	
END OF YEAR			<u>\$ (2,910,362)</u>	

Other Information

**Kankakee Valley Park District
Special Recreation Fund
Budgetary Comparison Schedule
For the Year Ended May 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
RECEIPTS				
Property Taxes	\$ 115,340	\$ 115,340	\$ 113,960	\$ (1,380)
TOTAL RECEIPTS	<u>115,340</u>	<u>115,340</u>	<u>113,960</u>	<u>(1,380)</u>
EXPENDITURES				
Current				
Recreation				
Special Recreation Association Fees	73,177	73,177	73,495	(318)
TOTAL EXPENDITURES	<u>73,177</u>	<u>73,177</u>	<u>73,495</u>	<u>(318)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 42,163</u>	<u>\$ 42,163</u>	40,465	<u>\$ (1,698)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>290,836</u>	
END OF YEAR			<u>\$ 331,301</u>	

**Kankakee Valley Park District
 Liability Insurance Fund
 Budgetary Comparison Schedule
 For the Year Ended May 31, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
RECEIPTS				
Property Taxes	\$ 258,073	\$ 258,073	\$ 254,985	\$ (3,088)
TOTAL RECEIPTS	<u>258,073</u>	<u>258,073</u>	<u>254,985</u>	<u>(3,088)</u>
EXPENDITURES				
Current				
General				
Contractual Services	13,200	13,200	0	13,200
Liability Insurance	168,940	168,940	99,402	69,538
TOTAL EXPENDITURES	<u>182,140</u>	<u>182,140</u>	<u>99,402</u>	<u>82,738</u>
NET CHANGE IN FUND BALANCE	<u>\$ 75,933</u>	<u>\$ 75,933</u>	155,583	<u>\$ 79,650</u>
FUND BALANCE, BEGINNING OF YEAR			<u>836,605</u>	
END OF YEAR			<u>\$ 992,188</u>	

**Kankakee Valley Park District
Debt Service Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance (Deficit) - Budget and Actual
For the Year Ended May 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Property Taxes	\$ 646,766	\$ 646,766	\$ 639,031	\$ (7,735)
Interest Income	0	0	98	98
TOTAL RECEIPTS	<u>646,766</u>	<u>646,766</u>	<u>639,129</u>	<u>(7,637)</u>
EXPENDITURES				
Debt Service				
Principal	630,000	630,000	630,000	0
Interest	35,732	35,732	31,978	3,754
TOTAL EXPENDITURES	<u>665,732</u>	<u>665,732</u>	<u>661,978</u>	<u>3,754</u>
NET CHANGE IN FUND BALANCE (DEFICIT)	<u>\$ (18,966)</u>	<u>\$ (18,966)</u>	<u>(22,849)</u>	<u>\$ (3,883)</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR			193,098	
PRIOR PERIOD ADJUSTMENT BEGINNING OF YEAR, RESTATED			<u>(193,098)</u>	
			<u>0</u>	
END OF YEAR			<u>\$ (22,849)</u>	

**Kankakee Valley Park District
Capital Projects Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance - Budget and Actual
For the Year Ended May 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
TOTAL RECEIPTS	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Debt Service				
Bond Costs	0	0	9,829	(9,829)
Capital Outlay	250,000	250,000	181,432	68,568
TOTAL EXPENDITURES	250,000	250,000	191,261	58,739
DEFICIENCY OF RECEIPTS OVER EXPENDITURES	(250,000)	(250,000)	(191,261)	58,739
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	900,000	900,000	908,000	8,000
Issuance of Bond Premium	0	0	11,784	11,784
Issuance of Bond Discount	0	0	(11,350)	(11,350)
TOTAL OTHER FINANCING SOURCES (USES)	900,000	900,000	908,434	8,434
NET CHANGE IN FUND BALANCE	650,000	650,000	717,173	67,173
FUND BALANCE, BEGINNING OF YEAR			294,976	
PRIOR PERIOD ADJUSTMENT BEGINNING OF YEAR, RESTATED			193,098	
			488,074	
END OF YEAR			\$ 1,205,247	

**Kankakee Valley Park District
Governmental Funds
Combining Schedule of Assets, Liabilities and Fund Balances (Deficit) - Modified Cash Basis
May 31, 2017**

	Special Revenue Funds						Total
	Museum	Audit	Social Security	IMRF	Police	Paving and Lighting	
ASSETS							
Cash	\$ 37,402	\$ 0	\$ 37,752	\$ 0	\$ 16,798	\$ 13,106	\$ 105,058
Due from Other Funds	17,940	0	48,723	27,961	108,507	59,076	262,207
TOTAL ASSETS	55,342	0	86,475	27,961	125,305	72,182	367,265
TOTAL DEFERRED OUTFLOWS	0	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS	55,342	0	86,475	27,961	125,305	72,182	367,265
LIABILITIES							
Due to Other Funds	0	155,320	0	0	0	0	155,320
TOTAL LIABILITIES	0	155,320	0	0	0	0	155,320
TOTAL DEFERRED INFLOWS	0	0	0	0	0	0	0
FUND BALANCES (DEFICIT)							
Restricted	55,342	0	86,475	27,961	125,305	72,182	367,265
Unassigned	0	(155,320)	0	0	0	0	(155,320)
TOTAL FUND BALANCES (DEFICIT)	55,342	(155,320)	86,475	27,961	125,305	72,182	211,945
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 55,342	\$ 0	\$ 86,475	\$ 27,961	\$ 125,305	\$ 72,182	\$ 367,265

**Kankakee Valley Park District
Governmental Funds
Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances (Deficit)
- Modified Cash Basis
For the Year Ended May 31, 2017**

	Special Revenue Funds						Total
	Museum	Audit	Social Security	IMRF	Police	Paving and Lighting	
RECEIPTS							
Property Taxes	\$ 109,401	\$ 13,106	\$ 98,861	\$ 84,900	\$ 29,060	\$ 13,106	\$ 348,434
Interest	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0
TOTAL RECEIPTS	<u>109,401</u>	<u>13,106</u>	<u>98,861</u>	<u>84,900</u>	<u>29,060</u>	<u>13,106</u>	<u>348,434</u>
EXPENDITURES							
Current							
General	0	99,681	61,109	101,045	12,262	0	274,097
Recreation	72,494	0	0	0	0	0	72,494
TOTAL EXPENDITURES	<u>72,494</u>	<u>99,681</u>	<u>61,109</u>	<u>101,045</u>	<u>12,262</u>	<u>0</u>	<u>346,591</u>
NET CHANGES IN FUND BALANCES	36,907	(86,575)	37,752	(16,145)	16,798	13,106	1,843
FUND BALANCES, BEGINNING OF YEAR	<u>18,435</u>	<u>(68,745)</u>	<u>48,723</u>	<u>44,106</u>	<u>108,507</u>	<u>59,076</u>	<u>210,102</u>
END OF YEAR	<u>\$ 55,342</u>	<u>\$ (155,320)</u>	<u>\$ 86,475</u>	<u>\$ 27,961</u>	<u>\$ 125,305</u>	<u>\$ 72,182</u>	<u>\$ 211,945</u>

**Kankakee Valley Park District
Museum Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance - Budget and Actual
For the Year Ended May 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Property Taxes	\$ 110,726	\$ 110,726	\$ 109,401	\$ (1,325)
TOTAL RECEIPTS	<u>110,726</u>	<u>110,726</u>	<u>109,401</u>	<u>(1,325)</u>
EXPENDITURES				
Recreation				
Museum Operations	<u>110,726</u>	<u>110,726</u>	<u>72,494</u>	<u>38,232</u>
TOTAL EXPENDITURES	<u>110,726</u>	<u>110,726</u>	<u>72,494</u>	<u>38,232</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>\$ 0</u>	<u>36,907</u>	<u>\$ 36,907</u>
FUND BALANCE, BEGINNING OF YEAR			<u>18,435</u>	
END OF YEAR			<u>\$ 55,342</u>	

**Kankakee Valley Park District
 Audit Fund
 Schedule of Revenues Received, Expenditures Disbursed, and Changes in
 Fund Deficit - Budget and Actual
 For the Year Ended May 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Property Taxes	\$ 13,264	\$ 13,264	\$ 13,106	\$ (158)
TOTAL RECEIPTS	<u>13,264</u>	<u>13,264</u>	<u>13,106</u>	<u>(158)</u>
EXPENDITURES				
General				
Audit Fees	<u>78,000</u>	<u>78,000</u>	<u>99,681</u>	<u>(21,681)</u>
TOTAL EXPENDITURES	<u>78,000</u>	<u>78,000</u>	<u>99,681</u>	<u>(21,681)</u>
NET CHANGE IN FUND DEFICIT	<u>\$ (64,736)</u>	<u>\$ (64,736)</u>	<u>(86,575)</u>	<u>\$ (21,839)</u>
FUND DEFICIT, BEGINNING OF YEAR			<u>(68,745)</u>	
END OF YEAR			<u>\$ (155,320)</u>	

**Kankakee Valley Park District
 Social Security Fund
 Schedule of Revenues Received, Expenditures Disbursed, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended May 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Property Taxes	\$ 100,058	\$ 100,058	\$ 98,861	\$ (1,197)
TOTAL RECEIPTS	<u>100,058</u>	<u>100,058</u>	<u>98,861</u>	<u>(1,197)</u>
EXPENDITURES				
General				
Social Security Payments	91,135	91,135	61,109	30,026
TOTAL EXPENDITURES	<u>91,135</u>	<u>91,135</u>	<u>61,109</u>	<u>30,026</u>
NET CHANGE IN FUND BALANCE	<u>\$ 8,923</u>	<u>\$ 8,923</u>	37,752	<u>\$ 28,829</u>
FUND BALANCE, BEGINNING OF YEAR			<u>48,723</u>	
END OF YEAR			<u>\$ 86,475</u>	

**Kankakee Valley Park District
IMRF Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance - Budget and Actual
For the Year Ended May 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Property Taxes	\$ 85,927	\$ 85,927	\$ 84,900	\$ (1,027)
TOTAL RECEIPTS	<u>85,927</u>	<u>85,927</u>	<u>84,900</u>	<u>(1,027)</u>
EXPENDITURES				
General				
IMRF Payments	69,072	69,072	101,045	(31,973)
TOTAL EXPENDITURES	<u>69,072</u>	<u>69,072</u>	<u>101,045</u>	<u>(31,973)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 16,855</u>	<u>\$ 16,855</u>	<u>(16,145)</u>	<u>\$ (33,000)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>44,106</u>	
END OF YEAR			<u>\$ 27,961</u>	

**Kankakee Valley Park District
Police Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance - Budget and Actual
For the Year Ended May 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Property Taxes	\$ 29,413	\$ 29,413	\$ 29,060	\$ (353)
TOTAL RECEIPTS	<u>29,413</u>	<u>29,413</u>	<u>29,060</u>	<u>(353)</u>
EXPENDITURES				
General				
Police Protection	0	0	12,262	(12,262)
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>12,262</u>	<u>(12,262)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 29,413</u>	<u>\$ 29,413</u>	16,798	<u>\$ (12,615)</u>
FUND BALANCE, BEGINNING OF YEAR			<u>108,507</u>	
END OF YEAR			<u>\$ 125,305</u>	

**Kankakee Valley Park District
Paving and Lighting Fund
Schedule of Revenues Received, Expenditures Disbursed, and Changes in
Fund Balance - Budget and Actual
For the Year Ended May 31, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Property Taxes	\$ 13,264	\$ 13,264	\$ 13,106	\$ (158)
TOTAL RECEIPTS	<u>13,264</u>	<u>13,264</u>	<u>13,106</u>	<u>(158)</u>
EXPENDITURES				
Capital Outlay				
Paving and Lighting	<u>4,000</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
TOTAL EXPENDITURES	<u>4,000</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,264</u>	<u>\$ 9,264</u>	<u>13,106</u>	<u>\$ 3,842</u>
FUND BALANCE, BEGINNING OF YEAR			<u>59,076</u>	
END OF YEAR			<u>\$ 72,182</u>	

**Kankakee Valley Park District
Schedule of Debt Service Requirements
Series 2014B General Obligation Limited Tax Park Bond
For the Year Ended May 31, 2017**

	Year Ending May 31,	Principal	Interest		Total
			June 1	December 1	
2014B General Obligation Limited Tax Park Bonds, \$854,000 original principal issued, Interest due June 1 and December 1 each year at 2.25% - 2.375% with principal due on December 1, 2016 - 2017.	2018	\$ 653,000	\$ 7,754	\$ 7,754	\$ 668,508
		<u>\$ 653,000</u>	<u>\$ 7,754</u>	<u>\$ 7,754</u>	<u>\$ 668,508</u>

**Kankakee Valley Park District
Schedule of Debt Service Requirements
Series 2015 General Obligation Limited Tax Park Bond
For the Year Ended May 31, 2017**

	Year Ending May 31,	Principal	Interest		Total
			June 1	December 1	
2015 General Obligation Limited Tax Park Bonds, \$214,510 original principal issued, Interest due June 1 and December 1 each year at 3.5% with principal due on December 1, 2018.	2018	\$ 0	\$ 3,754	\$ 3,754	\$ 7,508
	2019	214,510	3,754	3,754	222,018
		<u>\$ 214,510</u>	<u>\$ 7,508</u>	<u>\$ 7,508</u>	<u>\$ 229,526</u>

**Kankakee Valley Park District
Schedule of Debt Service Requirements
Series 2017A General Obligation Limited Tax Park Bond
For the Year Ended May 31, 2017**

	Year Ending May 31,	Principal	Interest		Total
			June 1	December 1	
2017A General Obligation Limited Tax Park Bonds, \$729,000 original principal issued, Interest due June 1 and December 1 each year at 9.5% with principal due on December 1, 2018 - 2021.	2018	\$ 0	\$ 0	\$ 58,867	\$ 58,867
	2019	200,000	34,628	34,628	269,256
	2020	225,000	25,128	25,128	275,256
	2021	225,000	14,440	14,440	253,880
	2022	79,000	3,753	3,753	86,506
		<u>\$ 729,000</u>	<u>\$ 77,949</u>	<u>\$ 136,816</u>	<u>\$ 943,765</u>

**Kankakee Valley Park District
Schedule of Debt Service Requirements
Series 2017B General Obligation Limited Tax Park Bond
For the Year Ended May 31, 2017**

	Year Ending May 31,	Principal	Interest		Total
			June 1	December 1	
2017B General Obligation Limited	2018	\$ 0	\$ 0	\$ 9,662	\$ 9,662
Tax Park Bonds, \$179,000	2019	0	5,683	5,683	11,366
original principal issued, Interest	2020	0	5,683	5,683	11,366
due June 1 and December 1	2021	75,000	5,683	5,683	86,366
each year at 6.35% with principal	2022	104,000	3,302	3,302	110,604
due on December 1, 2020 - 2021.					
		<u>\$ 179,000</u>	<u>\$ 20,351</u>	<u>\$ 30,013</u>	<u>\$ 229,364</u>

**Kankakee Valley Park District
Statistical Comparison of Property Taxes Levied to Property Taxes Collected
Tax Years 2007 - 2016**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
ASSESSED VALUATIONS (IN THOUSANDS)	\$ 296,907	\$ 294,233	\$ 303,332	\$ 312,622	\$ 335,286	\$ 371,793	\$ 397,290	*	*	*
TAX RATES										
General Fund	0.2059	0.1460	0.1395	0.1294	0.1000	0.1000	0.1000	*	*	*
Recreation Fund	0.1115	0.1082	0.1045	0.0996	0.0960	0.1730	0.0800	*	*	*
Museum Fund	0.0395	0.0384	0.0367	0.0366	0.0380	0.0250	0.0300	*	*	*
Audit Fund	0.0045	0.0046	0.0077	0.0046	0.0050	0.0100	0.0050	*	*	*
Liability Insurance Fund	0.0500	0.0895	0.0855	0.0814	0.0780	0.0050	0.0670	*	*	*
Social Security Fund	0.0357	0.0347	0.0331	0.0314	0.0310	0.0300	0.0230	*	*	*
Debt Service Fund	0.2349	0.2243	0.2157	0.0000	0.1900	0.0250	0.1600	*	*	*
IMRF Fund	0.0308	0.0298	0.0284	0.0271	0.0260	0.1200	0.0100	*	*	*
Paving and Lighting Fund	0.0045	0.0046	0.0029	0.0046	0.0050	0.0350	0.0050	*	*	*
Police Fund	0.0084	0.0102	0.0081	0.0093	0.0090	0.0050	0.0060	*	*	*
Special Recreation Fund	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	*	*	*
TOTAL TAX RATES	0.7657	0.7303	0.7021	0.4640	0.6180	0.5680	0.5260	*	*	*
PROPERTY TAX EXTENSION										
General Fund	\$ 582,723	\$ 429,581	\$ 423,149	\$ 404,533	\$ 335,286	\$ 371,793	\$ 397,290	*	*	*
Recreation Fund	315,559	318,361	316,982	311,371	321,874	643,201	317,832	*	*	*
Museum Fund	111,789	112,986	111,323	114,420	127,409	92,948	119,187	*	*	*
Audit Fund	12,735	13,535	23,357	14,381	16,764	37,179	19,864	*	*	*
Liability Insurance Fund	141,506	263,339	259,349	254,474	261,523	18,590	266,184	*	*	*
Social Security Fund	101,035	102,099	100,403	98,163	103,939	111,538	91,377	*	*	*
Debt Service Fund	664,796	659,966	654,288	0	637,043	92,948	635,663	*	*	*
IMRF Fund	87,168	87,682	86,146	84,720	87,174	446,151	39,729	*	*	*
Paving and Lighting Fund	12,735	30,012	24,570	29,074	30,176	18,590	23,837	*	*	*
Police Fund	23,773	13,535	8,797	14,381	16,764	130,127	19,864	*	*	*
Special Recreation Fund	113,205	117,693	121,333	125,049	134,114	148,717	158,916	*	*	*
TOTAL TAX EXTENSIONS	\$ 2,167,024	\$ 2,148,789	\$ 2,129,697	\$ 1,450,566	\$ 2,072,066	\$ 2,111,782	\$ 2,089,743	*	*	*
AMOUNT COLLECTED	^	\$ 2,080,625	\$ 2,088,174	\$ 1,408,773	\$ 2,032,962	\$ 1,977,761	\$ 1,855,720	*	*	*
PERCENTAGE COLLECTED	^	96.83%	98.05%	97.12%	98.11%	93.65%	88.80%	*	*	*

* - Information not readily available.

^ - Collections to occur during the fiscal year ended May 31, 2018.

**Kankakee Valley Park District
 Computation of Legal Debt Margin
 For the Year Ended May 31, 2017**

		Legal Debt Margin	
		With Referendum	Without Referendum
Assessed Valuation 2016	<u>\$ 296,907,451</u>		
Debt Limit			
5.750% of Assessed Valuation		\$ 17,072,178	
2.875% of Assessed Valuation			\$ 8,536,089
Total Debt			
General Obligation Debt Payable			
General Obligation Bond Series 2014B	653,000		
General Obligation Bond Series 2015	214,510		
General Obligation Bond Series 2017A	729,000		
General Obligation Bond Series 2017B	<u>179,000</u>		
Total General Obligation Debt Payable		1,775,510	1,775,510
Less Alternate Revenue Source Bonds Debt Subject to Limitation		<u>0</u>	<u>0</u>
		<u>1,775,510</u>	<u>1,775,510</u>
Legal Debt Margin		<u><u>\$ 15,296,668</u></u>	<u><u>\$ 6,760,579</u></u>