



**ANNUAL FINANCIAL REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2021**

**ADDISON PARK DISTRICT
ADDISON, ILLINOIS**

**ANNUAL FINANCIAL REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2021**

Administrative Offices

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Addison, Illinois 60101

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Jennifer Hermonson, Executive Director

**Addison Park District
Audit Report
For the Period Ended December 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

Selden Fox

Accounting for your future

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Addison Park District
Addison, Illinois

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **Addison Park District** (District), as of and for the period May 1, 2021 through December 31, 2021, and the statements of revenues, expenditures and changes in fund balance – budget and actual for the General and Major Special Revenue Funds, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Addison Park District, as of December 31, 2021, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (cont'd)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 4 - 7), the multiyear schedule of changes in net pension liability and related ratios (pages 48 - 49), the multiyear schedule of contributions (page 50) and the schedule of changes in the employer's net OPEB liability and related ratios (page 51 - 52) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Selden Fox, Ltd.

August 9, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Addison Park District
Management Discussion and Analysis
December 31, 2021**

To: Honorable Board of Commissioners and
Citizens of the Addison Park District

We are hereby submitting the Annual Financial Report of the Addison Park District (Park District) for period beginning on May 1, 2021 and ended December 31, 2021. The State of Illinois requires we provide this information via Statute (50 ILCS, Par. 310/2, et seq.) which is presented as a complete set of financial documents to inform the residents of Addison, Illinois, a report of the Park District's financial position.

The Management's Discussion and Analysis (MD & A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in its Statement Number 34, "Basic Financial Statements – and Management's Discussion and Analysis- for State and Local Governments" issued in June 1999. Since the MD & A is designed to focus on the year's activities, resulting changes, and currently known facts, please read it in conjunction with the Independent Auditor's Report and the Park District's financial statements.

The residents of Addison are provided 25 parks with a total of 284 acres to enjoy thanks to the efforts of the Park District. The Park District offers recreational programming and activities as well as room rentals at Community and Centennial Recreation Centers as well as at Links and Tees. In addition, the Park District provides a full exercise facility in Club Fitness as well as year-round golfing opportunities, with a driving range and 9-hole, Par 3 golf course available in the summer and an indoor driving range open from November through March. The Park District also sponsors Putter's Peak miniature golf, which is a wonderful attraction to residents throughout DuPage County.

Significant Events and Accomplishments

- Links and Tees continues to outperform revenue expectations for fiscal year 2021. In the month of February, Links & Tees broke a record of Dome mat sales recording \$120,015 in revenue. The previous February 2020 (just before COVID-19) mats sales hit a record of \$105,346 in revenue.
- Top Tracer was installed and ready to go in the Dome by November of 2021; there has been nothing but praise and compliments for the new golf software.
- Rentals have returned to normal, currently we are getting many requests for the winter months. Also, we have many requests for rentals of our outdoor parks (open spaces, shelters for graduations, birthday parties).
- Shifting our special events back to normal (versus cancelling or "drive through"). For example, on March 27, 2021, we held our Easter Egg Drive Thru and it was a huge hit. Families drove up in their car, stopped for a picture with the Easter Bunny and received a goodie bag. We handed out 285 Easter Bags.
- The Addison Park District's summer dance program was featured in the National Recreation and Park Association's (NRPA) social media pages which included Facebook, Instagram, and Twitter during July in honor of Parks and Recreation Month. It is wonderful to see that our participants and programs are being highlighted by this national association.
- The Addison Park District voted to change our financial fiscal year to a calendar year (from May 1 through April 30 to January 1 through December 31).
- The Addison Park District started the process of implementing a new financial software, Incode.
- The District continues to focus on reducing its carbon footprint and reducing its utility costs simultaneously by agreeing to replace the lighting throughout the District. Although this project was not completed until the following fiscal year, the District changed the method of obtaining electric rates once again reducing costs to taxpayers.

Financial Statement Structure

The government-wide financial statements, found on pages 8-10, are designed to provide readers with a broad perspective of the Park District's finances. The *Statement of Net Position* on pages 8 and 9 details the Park District's assets and liabilities, while the *Statement of Activities* on page 10 details the sources and uses of monies that changed the Park District's net asset position during the most recent fiscal year.

The fund financial statements begin on page 11 and continue through page 16. A *fund* is a group of accounts used to maintain control over resources that have been segregated for specific purposes. The Park District's use of fund accounting is in accordance with generally accepted accounting principles for governmental organizations and is also necessary to comply with certain legal requirements. All Park District's funds are governmental funds as they account for those activities primarily supported by taxes.

The notes to the financial statements on pages 23 through 47 provide information necessary for the understanding of these statements.

Financial Highlights

- The Park District focused on reducing its carbon footprint and reducing its utility costs simultaneously by agreeing to replace the lighting throughout the Park District. The Park District changed the method of obtaining electric rates once again reducing costs to taxpayers.
- The Park District committed to its future by investing in a new ERP for the first time since 2003.
- Revenues exceeded expenditures in the Park District's primary operating funds (General and Recreation) by \$192,063 and \$117,792 respectively in the period ended December 31, 2021.

Condensed Financial Information from the Government-wide Financial Statements

Net Position, (in millions)

	December 31, 2021	April 30, 2021
Assets:		
Current and other assets	\$ 16.6	\$ 13.0
Capital assets	20.3	20.8
Total assets	36.9	33.8
Deferred outflows of resources	0.3	1.0
Total assets and deferred outflows of resources	\$ 37.2	\$ 34.8
Liabilities:		
Current	\$ 0.9	\$ 0.5
Long-term	14.9	15.9
Total liabilities	15.8	16.4
Deferred inflows of resources	7.1	1.9
Total liabilities and deferred inflows of resources	\$ 22.9	\$ 18.3
Net position:		
Net investment in capital assets	\$ 5.4	\$ 5.9
Restricted	1.4	1.3
Unrestricted	7.5	9.3
Total net position	\$ 14.3	\$ 16.5

Changes in Net Position For the Year Ended April 30, (in millions)

	December 31, 2021	April 30, 2021
Program revenues – charges for services	\$ 1.2	\$ 1.4
General revenues:		
Taxes	0.2	5.1
Other	0.2	0.1
Total revenues	1.6	6.6
Expenses:		
General government	1.1	2.8
Culture and recreation	2.2	2.9
Interest on long-term debt	0.6	0.3
Total expenses	3.9	6.0
Changes in net position	\$ (2.3)	\$ 0.6

Government-wide Financial Analysis

The Park District's assets exceeded its liabilities by approximately \$21.1 million as of December 31, 2021. This is an increase of approximately \$4.6 million from April 30, 2021, when net assets totaled \$16.5 million. The largest components of the Park District assets at December 31, 2021, are its cash and investments of \$10.7 million, property taxes receivable of \$5.1 million, and capital assets of \$20.3 million.

Fund Financial Statement Analysis

The Park District has eight funds, all of which are major governmental funds as of December 31, 2021. Each major governmental fund is displayed on the balance sheet on pages 11 and 12. Governmental funds use a modified accrual basis of accounting designed to measure current financial resources. Consequently, this balance sheet does not show capital assets or long-term liabilities. The related statement of revenues, expenditures, and changes in fund balances (deficit) is presented on pages 14 and 15.

Summary of Governmental Funds for Period Ended December 31, 2021 (in millions)

	Fund Balance at April 30, 2022	Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	Fund Balance (Deficit) at December 31, 2021
Major governmental funds:			
General	\$ 1.9	\$ 0.2	\$ 2.1
Recreation	1.6	0.1	1.7
Recreation for the Handicapped	0.7	(0.2)	0.5
Illinois Municipal Retirement Fund	-	-	-
Federal Insurance Contribution Act	0.2	(0.1)	0.1
Liability Insurance	-	-	-
Debt Service	(0.4)	0.2	(0.2)
Capital Projects	6.1	0.1	6.2
Total governmental funds	\$ 10.1	\$ 0.3	\$ 10.4

Capital Assets and Long-term Debt

The Park District issued \$631,000 of general obligation bonds during the period ended December 31, 2021. Readers interested in detailed information related to capital assets and long-term debt may refer to the notes on pages 32 to 35.

Responsibility

If there are questions regarding this report please contact Jennifer Hermonson, Executive Director at Addison Park District, 120 East Oak Avenue, Addison, IL 60101.

BASIC FINANCIAL STATEMENTS

**Addison Park District
Statement of Net Position
December 31, 2021**

Assets	Governmental Activities
Cash and investments	\$ 10,662,258
Property taxes receivable, net	5,128,044
Other	154,363
Net pension asset	676,772
Capital assets not being depreciated	7,344,958
Capital assets being depreciated, net of accumulated depreciation	12,933,603
Total assets	36,899,998
Deferred Outflows of Resources	
Deferred charge on refunding	158,436
Deferred pension amounts (Note IV.C.)	106,654
Deferred OPEB amounts (Note IV.D.)	135
Total deferred outflows of resources	265,225

See accompanying notes.

Liabilities	
Accounts payable and accrued expenses	\$ 271,985
Accrued interest	441,997
Unearned revenue	99,261
Noncurrent liabilities:	
Compensated absences	72,502
OPEB liability	21,921
Long-term debt, net of bond discount:	
Due within one year	2,687,832
Due in more than one year	12,219,373
	<hr/>
Total liabilities	15,814,871
	<hr/>
Deferred Inflows of Resources	
Deferred pension amounts (Note IV.C.)	1,893,902
Property taxes	5,128,044
Deferred OPEB amounts (Note IV.D.)	114,721
	<hr/>
Total deferred inflows of resources	7,136,667
	<hr/>
Net Position	
Net investment in capital assets	5,371,356
Restricted for:	
Audit	24,479
Insurance and safety	120,695
Payroll taxes	102,936
Pension	277,311
Special recreation programs and improvements	824,823
Unrestricted	7,492,085
	<hr/>
Total net position	\$ 14,213,685
	<hr/>

**Addison Park District
Statement of Activities
For the Period Ended December 31, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 1,058,593	\$ -	\$ -	\$ (1,058,593)
Culture and recreation	2,264,835	1,178,991	-	(1,085,844)
Interest on long-term debt	600,278	-	-	(600,278)
Total governmental activities	\$ 3,923,706	\$ 1,178,991	\$ -	(2,744,715)
General revenues:				
Taxes:				
Property				(14,646)
Intergovernmental - state replacement taxes				204,366
Unrestricted investment earnings				1,465
Rental income				96,849
Grants and donations				102,324
Miscellaneous				32,798
Total general revenues				423,156
Changes in net position				(2,321,559)
Net position, beginning of the period				16,535,244
Net position, end of the period				\$ 14,213,685

See accompanying notes.

**Addison Park District
Balance Sheet - Governmental Funds
December 31, 2021**

	General	Recreation	Recreation for the Handicapped	Illinois Municipal Retirement
Assets				
Equity in pooled cash and investments	\$ 2,119,105	\$ 1,796,099	\$ 515,560	\$ 181,887
Property taxes receivable	2,047,676	956,399	309,263	288,827
Due from other funds	-	-	-	-
Other	59,817	94,546	-	-
Total assets	\$ 4,226,598	\$ 2,847,044	\$ 824,823	\$ 470,714
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 31,748	\$ 72,734	\$ -	\$ -
Accrued wages	67,251	8,001	-	4,886
Due to other funds	-	-	-	188,517
Unearned recreation program revenue	-	99,261	-	-
Total liabilities	98,999	179,996	-	193,403
Deferred inflows of resources - property taxes	2,047,676	956,399	309,263	288,827
Fund balances:				
Restricted:				
Audit	16,287	-	-	-
Payroll taxes	-	-	-	-
Special recreation programs and improvements	-	-	515,560	-
Assigned:				
Construction and development	-	-	-	-
Recreation	-	1,710,649	-	-
Unassigned	2,063,636	-	-	(11,516)
Total fund balances (deficit)	2,079,923	1,710,649	515,560	(11,516)
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 4,226,598	\$ 2,847,044	\$ 824,823	\$ 470,714

See accompanying notes.

Federal Insurance Contribution Act	Liability Insurance	Debt Service	Capital Projects	Total Governmental Funds
\$ 101,238	\$ 100,631	\$ 1,036,388	\$ 4,811,350	\$ 10,662,258
4,087	125,340	1,396,452	-	5,128,044
-	-	-	1,402,813	1,402,813
-	-	-	-	154,363
\$ 105,325	\$ 225,971	\$ 2,432,840	\$ 6,214,163	\$ 17,347,478
\$ -	\$ 43,278	\$ -	\$ 41,698	\$ 189,458
2,389	-	-	-	82,527
-	61,998	1,152,298	-	1,402,813
-	-	-	-	99,261
2,389	105,276	1,152,298	41,698	1,774,059
4,087	125,340	1,396,452	-	5,128,044
-	-	-	-	16,287
98,849	-	-	-	98,849
-	-	-	-	515,560
-	-	-	1,912,465	1,912,465
-	-	-	-	1,710,649
-	(4,645)	(115,910)	4,260,000	6,191,565
98,849	(4,645)	(115,910)	6,172,465	10,445,375
\$ 105,325	\$ 225,971	\$ 2,432,840	\$ 6,214,163	\$ 17,347,478

**Addison Park District
Reconciliation of Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021**

Total fund balance - governmental funds (page 12)	\$ 10,445,375
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,278,561
Interest expense is not subject to accrual in governmental funds.	(441,997)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the funds.	(72,502)
Bond premium is not deferred in the governmental funds.	(485,483)
Deferred charge on refunding is not recorded in the governmental funds.	158,436
Long-term liabilities for bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(14,421,722)
Long-term net pension and OPEB liabilities and the related net deferred outflows and inflows of resources are not payable in the current period and, therefore, are not reported in the funds.	<u>(1,246,983)</u>
Net position of governmental activities (page 9)	<u>\$ 14,213,685</u>

See accompanying notes.

Addison Park District
Statement of Revenues, Expenditures and Changes
in Fund Balances (Deficit) - Governmental Funds
For the Period Ended December 31, 2021

	General	Recreation	Recreation for the Handicapped	Illinois Municipal Retirement
Revenues:				
Property taxes	\$ 1,018,535	\$ 484,695	\$ 103,911	\$ 145,476
Replacement taxes	204,366	-	-	-
Recreational fees and dues	-	1,178,991	-	-
Rental income	-	96,849	-	-
Grants and donations	-	-	-	-
Interest earned	1,451	14	-	-
Miscellaneous	24,944	7,854	-	-
Total revenues	1,249,296	1,768,403	103,911	145,476
Expenditures:				
Current:				
Administration	706,702	-	-	-
Maintenance and operations	350,531	-	9,558	-
Recreational programs	-	1,650,611	-	-
Retirement	-	-	-	165,884
F.I.C.A.	-	-	-	-
Insurance	-	-	-	-
Payments to NEDSRA	-	-	295,712	-
Capital outlay and improvements	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Fees	-	-	-	-
Total expenditures	1,057,233	1,650,611	305,270	165,884
Revenues over (under) expenditures before other financing sources	192,063	117,792	(201,359)	(20,408)
Other financing sources - bond issuance	-	-	-	-
Net changes in fund balances (deficit)	192,063	117,792	(201,359)	(20,408)
Fund balance (deficit), beginning of period	1,887,860	1,592,857	716,919	8,892
Fund balance (deficit), end of period	\$ 2,079,923	\$ 1,710,649	\$ 515,560	\$ (11,516)

See accompanying notes.

Federal Insurance Contribution Act	Liability Insurance	Debt Service	Capital Projects	Total Governmental Funds
\$ 4,693	\$ 63,017	\$ 705,926	\$ -	\$ 2,526,253
-	-	-	-	204,366
-	-	-	-	1,178,991
-	-	-	-	96,849
-	-	-	102,324	102,324
-	-	-	-	1,465
-	-	-	-	32,798
<u>4,693</u>	<u>63,017</u>	<u>705,926</u>	<u>102,324</u>	<u>4,143,046</u>
-	-	-	-	706,702
-	-	-	-	360,089
-	-	-	-	1,650,611
-	-	-	-	165,884
90,091	-	-	-	90,091
-	89,556	-	-	89,556
-	-	-	-	295,712
-	-	-	159,924	159,924
-	-	585,000	-	585,000
-	-	370,015	-	370,015
-	-	12,900	-	12,900
<u>90,091</u>	<u>89,556</u>	<u>967,915</u>	<u>159,924</u>	<u>4,486,484</u>
<u>(85,398)</u>	<u>(26,539)</u>	<u>(261,989)</u>	<u>(57,600)</u>	<u>(343,438)</u>
<u>-</u>	<u>-</u>	<u>498,019</u>	<u>132,981</u>	<u>631,000</u>
(85,398)	(26,539)	236,030	75,381	287,562
<u>184,247</u>	<u>21,894</u>	<u>(351,940)</u>	<u>6,097,084</u>	<u>10,157,813</u>
<u>\$ 98,849</u>	<u>\$ (4,645)</u>	<u>\$ (115,910)</u>	<u>\$ 6,172,465</u>	<u>\$ 10,445,375</u>

**Addison Park District
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances (Deficit)
of Governmental Funds to the Statement of Activities
For the Period Ended December 31, 2021**

Amounts reported for governmental activities in the statement of activities (page 10) are different because:

Net changes in fund balances (deficit) - total governmental funds (page 15).	\$ 287,562
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities.	101,501
Depreciation on capital assets is reported as an expense in the statement of activities.	(617,908)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,540,899)
Bond premiums and discounts are reported as an other financing source (use) in the governmental funds, but as an increase or decrease of principal outstanding in the statement of net position.	21,655
The issuance of long-term debt premium is reported as an other financing source in the governmental funds, but as an increase of principal outstanding in the statement of activities.	(631,000)
The repayment of long-term debt is reported as an expenditure when due in the governmental funds, but as a reduction of principal outstanding in the statement of activities.	585,000
Interest on long-term debt is accrued in the government-wide statement of activities, but does not require the use of current financial resources and, therefore, is recorded as an expenditure in the governmental funds until due.	(230,263)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	3,776
The net effect of changes in the net pension and OPEB liability which do not use current financial resources are not reported as expenditures in the funds.	699,017
Changes in net position of governmental activities (page 9)	<u>\$ (2,321,559)</u>

See accompanying notes.

**Addison Park District
General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Period Ended December 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 2,055,000	\$ 1,018,535	\$(1,036,465)
Intergovernmental - state replacement taxes	120,000	204,366	84,366
Interest earned	9,100	1,451	(7,649)
Miscellaneous	4,666	24,944	20,278
Total revenues	2,188,766	1,249,296	(939,470)
Expenditures:			
Administrative:			
Salaries and wages	208,024	332,544	(124,520)
Benefits	56,980	130,357	(73,377)
Contractual services	239,435	215,900	23,535
Maintenance and supplies	15,000	27,901	(12,901)
Total administrative expenditures	519,439	706,702	(187,263)
Parks department:			
Salaries and wages	358,220	152,906	205,314
Benefits	93,000	-	93,000
Contractual services	160,200	148,631	11,569
Maintenance and supplies	117,773	48,994	68,779
Total parks department expenditures	729,193	350,531	378,662
Total expenditures	1,248,632	1,057,233	191,399
Revenues over expenditures	\$ 940,134	192,063	\$ (748,071)
Fund balance, beginning of period		1,887,860	
Fund balance, end of period		\$ 2,079,923	

See accompanying notes.

**Addison Park District
Recreation Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Period Ended December 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 996,388	\$ 484,695	\$ (511,693)
Recreational fees:			
Youth and adult programs	333,395	285,305	(48,090)
Golf	641,000	655,974	14,974
Seniors	-	15,348	15,348
Fitness	413,376	222,364	(191,012)
Rental income	124,770	96,849	(27,921)
Interest earned		14	14
Miscellaneous	17,131	7,854	(9,277)
Total revenues	2,526,060	1,768,403	(757,657)
Expenditures:			
Recreational programs:			
Youth and adult programs:			
Salaries and wages	275,947	326,589	(50,642)
Benefits	86,023	94,909	(8,886)
Contractual services	385,083	8,235	376,848
Maintenance and supplies	215,590	93,769	121,821
Programming and activities	26,800	73,526	(46,726)
Golf:			
Salaries and wages	247,000	170,544	76,456
Benefits	41,300	-	41,300
Maintenance and supplies	67,000	243,411	(176,411)
Seniors - programming and activities	27,144	35,430	(8,286)
Fitness:			
Salaries and wages	390,400	213,769	176,631
Benefits	10,000	-	10,000
Contractual services	75,940	164,706	(88,766)
Maintenance and supplies	126,900	225,723	(98,823)
Total expenditures	1,975,127	1,650,611	324,516
Revenues over expenditures	\$ 550,933	117,792	\$ (433,141)
Fund balance, beginning of period		1,592,857	
Fund balance, end of period		\$ 1,710,649	

See accompanying notes.

**Addison Park District
Recreation for the Handicapped Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Period Ended December 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues - property taxes	\$ 186,184	\$ 103,911	\$ (82,273)
Expenditures:			
Maintenance and operations - ADA projects	-	9,558	(9,558)
Payments to NEDSRA	291,629	295,712	(4,083)
Total expenditures	291,629	305,270	(13,641)
Revenues under expenditures	\$ (105,445)	(201,359)	\$ (95,914)
Fund balance, beginning of period		716,919	
Fund balance, end of period		\$ 515,560	

See accompanying notes.

**Addison Park District
Illinois Municipal Retirement Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
For the Period Ended December 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues - property taxes	\$ 287,238	\$ 145,476	\$ (141,762)
Expenditures - retirement	213,680	165,884	47,796
Revenues over (under) expenditures	\$ 73,558	(20,408)	\$ (93,966)
Fund balance, beginning of period		8,892	
Fund balance (deficit), end of period		\$ (11,516)	

See accompanying notes.

**Addison Park District
Federal Insurance Contribution Act Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Period Ended December 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues - property taxes	\$ 9,288	\$ 4,693	\$ (4,595)
Expenditures - F.I.C.A.:			
Social Security	81,913	73,015	8,898
Medicare	19,214	17,076	2,138
Total expenditures	101,127	90,091	11,036
Revenues under expenditures	\$ (91,839)	(85,398)	\$ 6,441
Fund balance, beginning of period		184,247	
Fund balance, end of period		\$ 98,849	

See independent auditor's report.

**Addison Park District
Liability Insurance Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance (Deficit) - Budget and Actual
For the Period Ended December 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 123,500	\$ 63,017	\$ (60,483)
Expenditures:			
Contractual:			
Insurance - PDRMA	72,703	68,433	4,270
Other	15,368	14,230	1,138
Training and safety supplies	-	6,893	(6,893)
Total expenditures	88,071	89,556	(1,485)
Revenues over (under) expenditures	\$ 35,429	(26,539)	\$ (61,968)
Fund balance, beginning of period		21,894	
Fund balance (deficit), end of period		\$ (4,645)	

See independent auditor's report.

Addison Park District Notes to the Financial Statements

I. Summary of Significant Accounting Policies

A. The Reporting Entity

The Addison Park District (Park District), DuPage County, Illinois, is duly organized and existing under the provisions of the laws of the state of Illinois, and is operating under the provisions of the Park District Code, approved July 8, 1947, and all laws amendatory thereto. The Park District operates under the commissioner/director form of government (an elected board of five Park District commissioners), and provides a variety of recreational facilities, programs and services. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The accompanying financial statements include only those funds of the Park District, as there are no other organizations for which it has financial accountability.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the Park District. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which are normally 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. However, all of the Park District's activities are considered governmental activities.

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

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

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Addison Park District
Notes to the Financial Statements (cont'd)

I. **Summary of Significant Accounting Policies (cont'd)**

C. **Measurement Focus, Basis of Accounting and Basis of Presentation (cont'd)**

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Park District considers all revenues available if they are collected within 60 days after period end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, in the case of debt service expenditures and certain compensated absences, expenditures are recorded only when payment is due.

Property taxes, recreational program fees, instruction fees, facility rental, and interest earned are susceptible to accrual. Replacement taxes collected and held by the State at year end are also susceptible to accrual. All other revenue items are considered to be measurable and collectible only when cash is received.

The Park District reports the following major governmental funds:

General Fund – This fund is the general operating fund of the Park District. It is used to account for all financial resources and expenditures not accounted for in another fund.

Recreation Fund – The Recreation Fund is used to account for revenues derived from and costs incurred in connection with the various recreational programs offered by the Park District.

Recreation for the Handicapped Fund – This fund is used to account for the accumulation of resources for and costs of providing programs and facilities to individuals who are physically or mentally handicapped. Expenditures from this fund include payments made to the Northeast DuPage Special Recreation Association (NEDSRA) in support of special recreation programs provided to residents of the Park District.

Illinois Municipal Retirement Fund – This fund is used to account for the accumulation of resources for and payment of the Park District's pension obligations to the Illinois Municipal Retirement Fund.

Federal Insurance Contribution Act Fund – This fund is used to account for the accumulation of resources for and payment of the Park District's employer share of payroll tax obligations on behalf of its employees.

Liability Insurance Fund – This fund is used to account for the accumulation of resources for and payment of the Park District's liability insurance premiums and related risk management expenses.

Addison Park District
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (cont'd)

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of principal and interest on outstanding bond issues.

Capital Projects Fund – This fund is used to account for the accumulation of resources for, and the acquisition of capital assets, including any construction costs associated with major capital projects.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the accounting period. Accounting estimates made by the Park District include the determination that no allowance for uncollectible property taxes is necessary, the assignment of useful lives for capital assets and management's estimate of the Net Pension Liability is based on actuarial data and other information from the Illinois Municipal Retirement Fund.

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity

1. Deposits and Investments

The Park District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Statutes authorize the Park District to invest in the following:

- Bonds, notes, certificates of indebtedness, Treasury bills or other securities which are guaranteed by the full faith and credit of the United States as to principal and interest.
- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.
- Savings accounts, certificates of deposit, time accounts, or other investments constituting direct obligations of a bank as defined by the Illinois Banking Act. Securities legally issuable by savings and loan associations incorporated under the laws of any state of the United States. Share accounts and share certificates of a credit union chartered under the laws of the State of Illinois or United States of America, provided the principal office of the credit union is located within the State of Illinois. Short-term discount obligations of the Federal National Mortgage Association (FNMA). Investments may be made only in financial institutions which are insured by either the Federal Deposit Insurance Corporation or National Credit Union Administration.

Addison Park District
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

1. Deposits and Investments (cont'd)

- Short-term obligations (maturing within 180 days of dates of purchase) of corporations with assets exceeding five hundred million dollars (\$500,000,000). Such obligations must be rated, at the time of purchase, at one of the three highest classifications established by at least two standard rating services. This type of obligation is limited to one-third of the Park District's funds available for investment, and cannot exceed 10% of the corporation's outstanding obligation.
- Money market mutual funds, including the Illinois Park District Liquid Asset Fund, registered under the Investment Company Act of 1940, which invest only in bonds, notes, certificates of indebtedness, Treasury bills, other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, and agrees to repurchase such obligations. In addition, the Park District may also invest in a fund managed, operated and administered by a bank.
- Repurchase agreements of government securities subject to The Government Securities Act of 1986.
- Illinois Funds, for which the Illinois Treasurer's office has regulatory oversight.

Interest earned is allocated based on the cash and cash equivalents and any certificates of deposit held by the fund.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (net current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available resources.

The Park District's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk not later than the last Tuesday in December of each year. Taxes are due and collectible one-half on June 1 and one-half on September 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1.

Addison Park District
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

2. Receivables and Payables (cont'd)

Property taxes are based on the assessed valuation of the Park District's real property as equalized by the State of Illinois. The equalized assessed valuation of real property totaled \$1,362,392,322 for the calendar year 2021. No provision has been made for uncollectible amounts.

3. Prepaid Items

Governmental funds account for prepaid items under the consumption method. Accordingly, governmental funds initially report prepaid items purchased as an asset and defer the recognition of the expenditure until the period the prepaid items are actually consumed or used. Certain payments to vendors may reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Such amounts would be offset by nonspendable fund balance. The Park District had no prepaid items at December 31, 2021.

4. Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets, are reported in the government-wide financial statements. The Park District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets, if purchased or constructed, are recorded at historical cost where historical records are available or estimated historical cost where historical records do not exist. Donated capital assets are recorded at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of an asset, or materially extend assets' lives, are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of governmental activities is not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 - 50 years
Improvements and equipment	5 - 20 years
Vehicles	6 years

Addison Park District
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

D. Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)

5. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by the Park District that is applicable to a future reporting period, and so will not be recognized as an outflow of resources (expense/expenditure) until then. They increase net position, similar to assets. Notes IV.C and D provide further details on the components of deferred outflows of resources.

Deferred inflows of resources are defined as an acquisition of net assets by the Park District that is applicable to a future reporting period, and so will not be recognized as an inflow of resources, either through the recording of revenue or the reduction of expenses, until that time. They decrease net position, similar to liabilities. Notes IV.C and D provide further details on the components of deferred inflows of resources.

6. Compensated Absences

Accumulated, unused vacation days earned by employees are accrued in the government-wide financial statements. However, a liability for these amounts is reported in governmental funds only if the liability has matured, as upon separation or retirement. Payments for compensated absences are normally made from the General or Recreation Fund. No liability is reported for accumulated unpaid sick time, as employees do not receive any payment for unused sick time upon separation or retirement.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using a straight-line method that approximates the interest method. Issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized in 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.

Addison Park District
Notes to the Financial Statements (cont'd)

I. **Summary of Significant Accounting Policies (cont'd)**

D. **Assets/Deferred Outflows, Liabilities/Deferred Inflows and Net Position or Equity (cont'd)**

8. **Deferred Property Tax Revenue**

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, property taxes are not "available" to finance the current year's expenditures. As such, the uncollected portion of the current year's tax levy, less amounts expected to be collected within sixty days after year end, is recorded as a deferred inflow of resources.

9. **Net Position and Fund Balances**

In the government-wide financial statements, net position is classified in one of three components:

Net Investment in Capital Assets – Net position in this classification consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances, excluding any unspent proceeds of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Net position in this classification consists of net position with constraints placed on its use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) laws enacted through constitutional provisions or enabling legislation.

Unrestricted – Net position in this classification consists of all other net positions that do not meet the definitions of "net investment in capital assets" or "restricted".

In the fund financial statements, fund balances are either reported as non-spendable or spendable. Spendable fund balances are further classified as restricted, committed, assigned or unassigned, based on the relative strength of the constraints that control how specific amounts can be spent.

Restrictions of fund balances are reported for amounts constrained by legal or other restrictions imposed by outside parties for use for a specific purpose. Committed fund balances are constrained by ordinances approved by the Park District's Board of Commissioners. Assigned fund balances represent amounts intended for a specific purpose. The authority to assign fund balances has been delegated to the Park District's management. Any residual fund balances in the general fund, as well as all fund deficits, are reported as unassigned.

The Park District assumes that funds with the highest level of constraint are expended first.

Addison Park District
Notes to the Financial Statements (cont'd)

II. Stewardship, Compliance and Accountability

A. **Budgetary Information** – The Park District follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Combined Budget and Appropriation Ordinance is prepared in tentative form by the Park Business Director, and is made available by the Park Secretary for public inspection 30 days prior to final Board action. A public hearing is held on the tentative Combined Budget and Appropriation Ordinance to obtain taxpayer comments.
- Prior to August 1, the Appropriation Ordinance, which is generally 15% greater than the operating budget, is legally enacted through the passage of a Combined Budget and Appropriation Ordinance. All actual expenditures contained herein have been compared to the operating budget.
- The Board of Park Commissioners may:
 - Amend the Budget and Appropriation Ordinance in the same manner as its original enactment.
 - Transfer among items of any fund not exceeding in the aggregate 10% of the total amount appropriated in such fund.
 - After six months of the fiscal year, by two-thirds vote transfer any appropriation item it anticipates to be unexpended to any other appropriation item.
 - All appropriations lapse at year end. There were no supplemental appropriations during the year. Management cannot amend the budget and appropriation ordinance.
 - Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis of anticipated revenues to be received in cash and expenditures to be incurred, which does not differ materially from accounting principles generally accepted in the United States of America.
 - All budgets and appropriations are prepared based on the annual fiscal year of the Park District. The Park District does not use the encumbrance method of accounting. Budgetary funds are controlled by an integrated budgetary accounting system, in accordance with various legal requirements which govern the Park District.

**Addison Park District
Notes to the Financial Statements (cont'd)**

III. Detailed Notes for All Funds

A. Deposits and Investments

The Park District maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed on the combined balance sheet as "equity in pooled cash and investments." At December 31, 2021, cash reported on the statement of net position consisted of:

Cash on hand	\$	2,630
Carrying amount of:		
Deposits		952,644
Illinois Park District Liquid Asset Fund		9,706,984
	\$	10,662,258

The Park District's investment in the Illinois Park District Liquid Asset Fund, which does not impose redemption gates or liquidity fees, is carried at its net asset value, which equals amortized cost.

Interest Rate Risk – Interest rate risk is the risk that market interest rate changes will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Park District does not have a policy that limits investment maturities as a means of managing interest rate risk. However, its practice is to structure the investment portfolio maturity dates in order to meet cash requirements for operations, capital projects and debt repayment schedules.

Credit Risk – Credit risk is the risk that an issuer of a debt type instrument will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized rating organization. The Park District's investment in the Illinois Park District Liquid Asset Fund have received Standard and Poor's highest rating (AAAm).

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Park District's deposits may not be returned. The Park District requires all deposits with financial institutions to be fully insured or collateralized. At December 31, 2021, the carrying amount of the Park District's deposits was \$952,644 and the bank balance was \$1,061,557, all of which was covered by federal depository insurance or collateralized.

**Addison Park District
Notes to the Financial Statements (cont'd)**

III. Detailed Notes for All Funds (cont'd)

B. Capital Assets

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

	April 30, 2021	Additions	Deductions	December 31, 2021
Capital assets, not being depreciated - land	\$ 7,344,958	\$ -	\$ -	\$ 7,344,958
Capital assets, being depreciated:				
Land improvements	7,900,574	-	-	7,900,574
Buildings	20,742,478	101,501	-	20,843,979
Furniture and equipment	5,156,666	-	(138,470)	5,018,196
Vehicles	860,621	-	(145,497)	715,124
Total capital assets being depreciated	34,660,339	101,501	(283,967)	34,477,873
Less accumulated depreciation for:				
Land improvements	6,118,826	221,204	-	6,340,030
Buildings	9,771,473	310,681	-	10,082,154
Furniture and equipment	4,505,362	78,344	(138,470)	4,445,236
Vehicles	814,668	7,679	(145,497)	676,850
Total accumulated depreciation	21,210,329	617,908	(283,967)	21,544,270
Total capital assets being depreciated, net	13,450,010	(516,407)	-	12,933,603
Capital assets, net	\$ 20,794,968	\$ (516,407)	\$ -	\$ 20,278,561

The depreciation expense for the period of \$617,908 was allocated evenly between the general governmental activities and recreational activities.

C. Interfund Receivables, Payables and Transfers

The composition of interfund due to/from balances at December 31, 2021, is as follows:

Receivable Fund	Payable Fund	Amount
Capital Projects	Illinois Municipal Retirement	\$ 188,517
Capital Projects	Liability Insurance	61,998
Capital Projects	Debt Service	1,152,298
		<u>\$ 1,402,813</u>

The interfund balances represent amounts deposited into one fund, but recorded as revenue in another fund, or expenditures paid on behalf of one fund by another fund for which reimbursement has not yet taken place. The balances are expected to be liquidated in the subsequent year through the normal course of operations.

D. Long-term Debt

The Park District issues general obligation bonds to finance the purchase of major capital items and for the acquisition or construction of major capital facilities. General obligation bonds are direct obligations which pledge the full faith and credit of the Park District.

**Addison Park District
Notes to the Financial Statements (cont'd)**

III. Detailed Notes for All Funds (cont'd)

D. Long-term Debt (cont'd)

Bonded indebtedness has also been entered into in the current year and prior years to advance refund various general obligation bonds. A summary of the changes in the Park District's long-term debt for the period ended December 31, 2021, is as follows:

Issue	May 1, 2021	Issuances	Retirements/ Adjustments	December 31, 2021	Due within One Year
\$1,198,116 Series 2014(A) General Obligation Capital Appreciation Bonds, due in remaining installments of \$93,672 to \$147,758, in December 2023 through 2029, with interest payable in those years at 5.0 to 5.7%.	\$ 848,722	\$ -	\$ -	\$ 848,722	\$ -
\$1,233,000 Series 2016 General Obligation Limited Bonds, due in one remaining principal installment of \$1,206,000 in December 2022, with interest payable semiannually at 2.2%.	1,206,000	-	-	1,206,000	1,206,000
\$1,521,000 Series 2017 General Obligation Limited Bonds, due in remaining principal installments of \$734,000, and \$715,000 in December 2022 and 2023, respectively, with interest payable semiannually at 2.4%.	1,449,000	-	-	1,449,000	734,000
\$1,575,000 Series 2018 General Obligation Limited Bonds, due in remaining principal installments of \$162,000, \$266,000, \$562,000 and \$585,000 in December 2023, 2024, 2025 and 2026, respectively, with interest payable in those years at 3.1 to 3.4%.	1,575,000	-	-	1,575,000	162,000
\$1,492,000 Series 2019 General Obligation Limited Bonds, due in remaining principal installments of \$123,000, \$365,000, \$365,000 and \$539,000 in December 2023, 2024, 2025 and 2026, respectively, with interest payable in those years at 1.9%.	1,492,000	-	100,000	1,392,000	-
\$6,875,000 Series 2020B General Obligation Refunding Park Bonds due in remaining annual principal installments of \$205,000 to \$600,000 through December 2037, with interest payable semiannually at 2.125 to 4.0%.	6,875,000	-	390,000	6,485,000	435,000
\$930,000 Series 2020A General Obligation Limited Bonds, due in remaining principal installments of \$250,000 and \$585,000 December 2026 and 2027, respectively, with interest payable semiannually at 3.0 to 4.0%.	930,000	-	95,000	835,000	-
\$31,000 Series 2021 General Obligation Limited Bonds, due in remaining principal installments of \$122,000, \$109,000, \$245,000, \$70,000 and \$85,000 in December 2022, 2023, 2024, 2025 and 2026, respectively, with interest payable semiannually at 0.65 to 1.10%.	-	631,000	-	631,000	122,000
	14,375,722	631,000	585,000	14,421,722	2,659,000
Bond premium (discount)	517,628	-	32,145	485,483	28,832
	<u>\$ 14,893,350</u>	<u>\$ 631,000</u>	<u>\$ 617,145</u>	<u>\$ 14,907,205</u>	<u>\$ 2,687,832</u>

**Addison Park District
Notes to the Financial Statements (cont'd)**

III. Detailed Notes for All Funds (cont'd)

D. Long-term Debt (cont'd)

Debt Service Requirement to Maturity – Annual requirements to amortize all debt outstanding at December 31, 2021, including interest payments of \$2,970,072, are as follows:

	General Obligation Bonds		
	Total	Principal	Interest
Due for the year ending December 31, 2022:			
Series 2014	\$ -	\$ -	\$ -
Series 2016	1,214,866	1,206,000	8,866
Series 2017	764,216	734,000	30,216
Series 2018	213,183	162,000	51,183
Series 2019	26,170	-	26,170
Series 2020A	27,550	-	27,550
Series 2020B	615,338	435,000	180,338
Series 2021	129,162	122,000	7,162
	<u>2,990,485</u>	<u>2,659,000</u>	<u>331,485</u>
Total due for the year ending December 31, 2022	2,990,485	2,659,000	331,485
Due for the years ending December 31:			
2023	1,948,045	1,565,758	382,287
2024	1,880,068	1,525,322	354,746
2025	1,696,645	1,369,533	327,112
2026	1,529,776	1,225,150	304,626
2027 – 2031	3,668,087	2,671,959	996,128
2032 – 2036	3,065,188	2,805,000	260,188
2037 – 2038	613,500	600,000	13,500
	<u>\$ 17,391,794</u>	<u>\$ 14,421,722</u>	<u>\$ 2,970,072</u>

Refunding and Defeasance – In September 2020, the Park District issued \$7,805,000 of alternate revenue source General Obligation Refunding Park Bonds (Series 2020A and 2020B). The bonds were used to refund existing general obligation and alternative revenue source debt and to lower annual debt service requirements. The General Obligation Refunding Park Bonds with an average interest rate of 2.63% were used to refund the following debt issuances.

Issue	Date	Amount of Issue Refunded	Interest Rate
Series 2010 General Obligation Bond	May 27, 2010	\$ 7,995,000	4.00 – 4.50 %
Series 2015 General Obligation Bond	November 24, 2015	786,000	2.20

Of the \$8,168,620 of proceeds, \$8,167,828 was deposited in an irrevocable trust with an escrow agent, and used to purchase U.S. government securities to provide for a portion of future debt service payments of the refunded bonds listed above. As a result, these bonds are considered to be defeased, thus, the liability for these bonds has been removed from the basic financial statements. At December 31, 2021, \$1,066,000 of bonds outstanding are considered defeased.

**Addison Park District
Notes to the Financial Statements (cont'd)**

III. Detailed Notes for All Funds (cont'd)

D. Long-term Debt (cont'd)

Refunding and Defeasance (cont'd)

The Park District advance refunded the above bonds to provide for a more evenly spread repayment of its debt obligations. Total debt service requirements over the life of the applicable new debt used in the defeasance are \$1,264,589 less than the total service requirements over the life of the old debt. The Park District experienced an economic gain (difference between the present value of the debt service payments on the old and the new debt) of \$168,926.

Interest earnings on investments in all trust accounts will be returned to the Park District's Debt Service Funds, to the extent resources remain in the trusts, to provide for all debt service payments on the outstanding bonds.

IV. Other Information

A. Risk Management

PDRMA Property/Casualty Program – The 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 1985, the 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 districts, forest preserve districts, special recreation associations and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. The following table is a summary of the property/casualty coverage in effect for the period January 1, 2021 through January 1, 2022:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
1. Property			
All losses per occurrence	\$1,000	\$1,000,000	\$1,000,000,000 all members
Flood/except Zones A&V	\$1,000	\$1,000,000	\$250,000,000/occurrence/annual aggregate
Flood, Zones A&V	\$1,000	\$1,000,000	\$200,000,000/occurrence/annual aggregate
Earthquake shock	\$1,000	\$1,000,000	\$100,000,000/occurrence/annual aggregate
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/non-reported values
Service interruption	24 hours	N/A	\$25,000,000
Boiler and machinery			\$100,000,000 equipment breakdown
Property damage	\$1,000	\$9,000	Included
Business income	48 hours	N/A	Included
Fidelity and crime	\$1,000	\$24,000	\$2,000,000/occurrence
Seasonal employees	\$1,000	\$9,000	\$1,000,000/occurrence
Blanket bond	\$1,000	\$24,000	\$2,000,000/occurrence
2. Workers' Compensation	N/A	\$500,000	Statutory
Employers' liability		\$500,000	\$3,500,000 employer's liability

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

A. Risk Management (cont'd)

PDRMA Property/Casualty Program (cont'd)

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
3. Liability			
General	None	\$500,000	\$21,500,000/occurrence
Auto liability	None	\$500,000	\$21,500,000/occurrence
Employment practices	None	\$500,000	\$21,500,000/occurrence
Public officials' liability	None	\$500,000	\$21,500,000/occurrence
Law enforcement liability	None	\$500,000	\$21,500,000/occurrence
Uninsured/underinsured	None	\$500,000	\$1,000,000/occurrence
4. Pollution Liability			
Liability-third party	None	\$25,000	\$5,000,000/occurrence
Property-first party	\$1,000	\$24,000	\$30,000,000 3-year aggregate
5. Outbreak Expense	24 hours	N/A	\$15,000/day; \$1,000,000 aggregate policy limit
6. Information Security and Privacy Insurance With Electronic Media Liability Coverage			
Breach response	\$1,000	\$100,000	\$2,000,000/occurrence/annual aggregate
Business interruption	8 hours	\$100,000	\$2,000,000/occurrence/annual aggregate
Business interruption due to system failure	8 hours	\$100,000	\$250,000/occurrence/annual aggregate
Dependent business loss	8 hours	\$100,000	\$2,000,000/occurrence/annual aggregate
Liability	\$1,000	\$100,000	\$2,000,000/occurrence/annual aggregate
eCrime	\$1,000	\$100,000	\$50,000/occurrence/annual aggregate
Criminal reward	\$1,000	\$100,000	\$2,000,000/occurrence/annual aggregate
	8 hours	\$100,000	\$50,000 hourly sublimit/\$50,000 forensic expense/\$150,000 dependent business interruption
7. Deadly Weapon Response			
Liability	\$1,000	\$9,000	\$500,000/occurrence/\$2,500,000 annual aggregate for all members
First party property	\$1,000	\$9,000	\$250,000 per occ. as part of overall limit
Crisis mgmt. services	\$1,000	\$9,000	\$250,000 per occ. as part of overall limit
Counseling/funeral expenses	\$1,000	\$9,000	\$250,000 per occ. as part of overall limit
Medical expenses	\$1,000	\$9,000	\$25,000 per person/\$500,000 annual agg. as part of overall limit
AD&D	\$1,000	\$9,000	\$50,000 per person/\$500,000 annual agg. as part of overall limit
8. Volunteer Medical Accident	None	\$5,000	\$5,000 medical expense of any other collectible insurance
9. Underground Storage Tank Liability	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund
10. Unemployment Compensation	N/A	N/A	Statutory (member funded)

Losses exceeding the per occurrence self-insured and reinsurance limit are the responsibility of the Park District. Insurance coverage exceeded settlements for the years ended December 31, 2021, 2020 and 2019.

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 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.

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

A. Risk Management (cont'd)

PDRMA Property/Casualty Program (cont'd)

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 balance sheet at December 31, 2020, and the related statement of revenues and expenses for the period then ended. The Park District's portion of the overall equity of the pool is 0.811% or \$460,523.

Assets	\$ 76,433,761
Deferred outflows of resources - pension	1,015,561
Liabilities	19,892,387
Deferred inflows of resources - pension	798,816
Total net position	56,758,119
Operating revenues	19,454,155
Nonoperating revenues	4,109,196
Expenditures	16,158,333

Since 89.98% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the net position is adjusted annually as more recent loss information becomes available. A complete financial statement for PDRMA's Property/Casualty Program can be obtained from PDRMA's administrative offices at Post Office Box 4320, Wheaton, Illinois 60189.

PDRMA Health Program – On February 1, 2014, the Park District became a member of the PDRMA Health Program, a health benefits pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001, the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN). Members can choose to provide any combination of coverages available to their employees, and pay premiums accordingly.

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

A. Risk Management (cont'd)

PDRMA Health Program (cont'd)

As a member of the PDRMA Health Program, the Park District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between Park District and the PDRMA Health Program is governed by a contract and by-laws that have been adopted by each member's governing body. The Park District is contractually obligated to make all payments to the PDRMA Health Program and fund any deficit of the PDRMA Health Program upon dissolution of the pool. The Park District will share in any surplus of the pool based on a decision by the Health Program Council.

The following represents a summary of PDRMA's Health Program balance sheet at December 31, 2020, and the statement of revenues and expenses for the period ended December 31, 2020:

Assets	\$ 29,550,609
Deferred outflows of resources - pension	435,241
Liabilities	5,326,323
Deferred inflows of resources - pension	342,350
Total net position	24,317,177
Operating revenues	34,484,852
Nonoperating revenues	1,999,072
Expenditures	32,395,210

A large percentage of the liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred. A complete financial statement for PDRMA's Health Program can be obtained from PDRMA's administrative offices at Post Office Box 4320, Wheaton, Illinois 60189.

B. Joint Ventures, Jointly Governed Organizations and Related Organizations

The Park District and ten other governmental entities have entered into a joint agreement to provide cooperative recreational programs and other activities for handicapped and impaired individuals through Northeast DuPage Special Recreation Association (NEDSRA). Each member agency shares equally in NEDSRA, and generally provides funding based on up to .0500 cents per \$100 of its equalized assessed valuation. The Park District contributed \$295,712 to NEDSRA during the current period.

The Park District does not have a direct financial interest in NEDSRA and, therefore, its investment therein is not reported within the financial statements. Upon dissolution of NEDSRA, the assets, if any, shall be divided among the members in accordance with an equitable formula as determined by a unanimous vote of NEDSRA's Board of Directors.

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

B. Joint Ventures, Jointly Governed Organizations and Related Organizations (cont'd)

Complete financial statements for NEDSRA can be obtained from NEDSRA's administrative offices at 1770 West Centennial Place, Addison, Illinois 60101.

On December 14, 1989, the Park District entered into a 99-year lease with NEDSRA to lease out an approximately 25,850 square foot building addition constructed by the Park District on the property commonly referred to as Centennial Park. The lease commenced July 1, 1990, and was amended December 23, 1991, and provided for monthly rent of one-twelfth of the Park District's annual cost of financing the construction of the building addition, through 2005 when all related principal and interest had been paid, and at an annual rental of \$1 thereafter for the remaining term of the lease.

C. Defined Benefit Pension Plan

1. General Information About the Pension Plan

Plan Description – The Park District's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), provides pensions for all full-time employees of the Park District. IMRF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

At December 31, 2021, the IMRF Plan membership consisted of:

Retirees and beneficiaries	70
Inactive, non-retired members	65
Active members	<u>20</u>
Total	<u>155</u>

Benefits Provided – IMRF provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011, who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 $\frac{2}{3}$ % of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2% of each year thereafter. Employees with at least 8 years of service may retire at or after age 55 and receive a reduced benefit.

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

C. Defined Benefit Pension Plan (cont'd)

1. General Information About the Pension Plan (cont'd)

Participating members hired on or after January 1, 2011, who retire at or after age 67 with 10 years of service, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$119,892 and \$116,740 at January 1, 2022 and 2021, respectively. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

Contributions – Employees participating in the plan are required to contribute 4.5% of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Park District is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2021 was 21.75%. The Park District's contribution to IMRF for the period ended December 31, 2021, totaled \$169,470 which was equal to its required annual contribution.

2. Net Pension Liability

The Park District's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Valuation and Assumptions – The actuarial assumptions used in the December 31, 2021, valuation were based on an actuarial experience study for the period January 1, 2017 – December 31, 2019, using the entry age normal actuarial cost method. The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.85% to 13.75%
Investment rate of return	7.25%
Post-retirement benefit increase:	
Tier 1	3.0%-simple
Tier 2	lesser of 3.0%-simple or ½ increase in CPI

Addison Park District
Notes to the Financial Statements (cont'd)

IV. **Other Information** (cont'd)

C. **Defined Benefit Pension Plan** (cont'd)

2. **Net Pension Liability** (cont'd)

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2021, was 22 years.

Mortality Rates – For non-disabled lives, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (Adjusted 105%) tables, and future mortality improvement projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Long-term Expected Rate of Return – The long-term expected rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio, using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equities	39%	1.90%
International equities	15%	3.15%
Fixed income	25%	(0.60%)
Real estate	10%	3.30%
Alternatives:	10%	
Private equity		5.50%
Hedge funds		N/A
Commodities		1.70%
Cash equivalents	1%	(0.90%)

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

C. Defined Benefit Pension Plan (cont'd)

2. Net Pension Liability (cont'd)

Single Discount Rate – Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects: (1) a long-term expected rate of return on pension plan investments (to the extent that the plan’s 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 as of the measurement date (to the extent that the plan’s projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 1.84%, and the resulting single discount rate used to measure the total pension liability is 7.25%.

Based on the assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for the next 99 years (through 2113).

3. Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance, December 31, 2020	\$ 14,775,488	\$ 13,921,374	\$ 854,114
Changes for the year:			
Service cost	109,694	-	109,694
Interest	1,035,614	-	1,035,614
Differences between expected and actual experience	300,534	-	300,534
Changes in assumptions	-	-	-
Contributions - employer	-	244,897	(244,897)
Contributions - employee	-	55,814	(55,814)
Net investment income	-	2,417,540	(2,417,540)
Benefit payments, including refunds of employee contributions	(1,092,004)	(1,092,004)	-
Other changes	-	258,477	(258,477)
Net changes	353,838	1,884,724	(1,530,886)
Balance, December 31, 2021	\$ 15,129,326	\$ 15,806,098	\$ (676,772)

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. **Other Information** (cont'd)

C. **Defined Benefit Pension Plan** (cont'd)

3. **Changes in Net Pension Liability** (cont'd)

Discount Rate Sensitivity – The following presents the net position liability of the Park District, calculated using the discount rate of 7.25%, as well as what the Park District's net pension (asset) liability would be if it were calculated using a discount rate that is one percentage higher or lower than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension (asset) liability	\$ 918,103	\$ (676,772)	\$ (1,955,872)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued IMRF financial report.

4. **Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions**

For the period ended December 31, 2021, the Park District's pension recovery recognized in the statement of activities totaled \$664,613. At December 31, 2021, the Park District reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ 106,654	\$ -	\$ 106,654
Changes in assumptions	-	-	-
Net difference between projected and actual earnings in pension plan investments	-	1,893,902	(1,893,902)
Total	\$ 106,654	\$ 1,893,902	\$ (1,787,248)

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

C. Defined Benefit Pension Plan (cont'd)

4. Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions (cont'd)

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense for the years ending December 31, as follows:

2022	\$	(306,794)
2023		(730,087)
2024		(464,856)
2025		<u>(285,511)</u>
Total	\$	<u>(1,787,248)</u>

D. Other Post-Employment Benefits (OPEB)

Plan Description – The Park District provides limited health care insurance coverage for its eligible retired employees. The plan is a single employer defined benefit OPEB plan administered by the District. Full-time employees who retire and are eligible for a pension under the IMRF Plan can elect to continue their medical insurance for life by paying the full price of the insurance under the plan offered by the Park District. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The Park District accounts for the plan in the government-wide financial statements. The plan does not issue a stand-alone financial report.

At December 31, 2021, the OPEB Retiree Healthcare Plan membership consisted of:

Active employees	19
Inactive employees:	
Entitled to but not yet receiving benefits	-
Currently receiving benefits	<u>1</u>
Total	<u>20</u>

Funding Policy – The retirees are allowed to participate in the same healthcare plan as active employees but must pay their full premium. Premiums are the same for active and retired employees. There is no formal funding policy that exists for the OPEB plan as the total OPEB liabilities are currently an unfunded obligation.

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

D. Other Post-Employment Benefits (OPEB) (cont'd)

Net OPEB Liability

The District's net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Total OPEB liability	\$	21,921
Plan fiduciary net position		-
Net OPEB liability	\$	21,921

Election at Retirement – 40% of IMRF covered employees are expected to elect for coverage under the OPEB plan at retirement, in the High PPO plan.

Actuarial Valuation and Assumptions – The total OPEB liability was determined by an actuarial valuation as of September 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.89% - 9.85%
Inflation rate	2.25%
Discount rate	2.26%
Investment rate of return	N/A

The mortality rates had the same basis as the respective pension plan. The health care trend rate by calendar year is as follows:

Fiscal Year	Medical	Prescription Drug
2022	5.90 %	6.85 %
2023	5.80	6.70
2024	5.70	6.55
2025	5.60	6.40
2026	5.50	6.25
2027	5.40	6.10
2028	5.30	5.95
2029	5.20	5.80
2030	5.10	5.65
2031	5.00	5.50
2032	4.90	5.35
2033	4.80	5.20
2034	4.70	5.05
2035	4.60	4.90
2036	4.50	4.75
2037	4.50	4.60
Subsequent	4.50	4.50

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

D. Other Post-Employment Benefits (OPEB) (cont'd)

Discount Rate – The discount rate used to measure the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. The Park District does not have a trust dedicated exclusively to the payment of OPEB benefits, so the discount rate equals the municipal bond rate of 2.26%, determined using the General Obligation Municipal Bond rate.

Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance 4/30/2021	\$ 44,070	\$ -	\$ 44,070
Changes for the year:			
Service cost	3,296	-	3,296
Interest	820	-	820
Differences between expected and actual experience	(5,765)	-	(5,765)
Changes in assumptions	153	-	153
Contributions – employer	-	-	-
Contributions – employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	(20,653)	-	(20,653)
Administrative expenses	-	-	-
Other changes	-	-	-
Net changes	(22,149)	-	(22,149)
Balances at 12/31/2021	\$ 21,921	\$ -	\$ 21,921

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Park District, calculated using the discount rate of 2.26%, as well as what the Park District’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (1.26%)	Current Discount Rate (2.26%)	1% Increase (3.26%)
Net OPEB Liability	\$ 22,513	\$ 21,921	\$ 21,326

**Addison Park District
Notes to the Financial Statements (cont'd)**

IV. Other Information (cont'd)

D. Other Post-Employment Benefits (OPEB) (cont'd)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates –

The following presents the net OPEB liability of the Park District, as well as what the Park District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or lower than the current rate:

	1% Decrease (Varies)	Current Discount Rate (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 20,999	\$ 21,921	\$ 23,021

For the period ended December 31, 2021, the Park District's OPEB recovery recognized in the statement of activities totaled \$34,404. At December, 2021, the Park District reported deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Changes of Assumptions	\$ 135	\$ 5,838	\$ (5,703)
Difference between expected and actual experience	-	108,883	(108,883)
	\$ 135	\$ 114,721	\$ (114,586)

Amounts reported as deferred inflows of resources related to the plan will be recognized in expense for the years ending December 31, as follows:

2022	\$ (17,867)
2023	(17,867)
2024	(17,867)
2025	(17,867)
2026	(17,867)
Thereafter	(25,251)
Total	\$ (114,586)

REQUIRED SUPPLEMENTARY INFORMATION

**Addison Park District
Illinois Municipal Retirement Fund
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
For the Last Ten Calendar Years***

	2021	2020	2019	2018
Total pension liability:				
Service cost	\$ 109,694	\$ 140,654	\$ 119,404	\$ 140,441
Interest on the total pension liability	1,035,614	1,000,795	969,766	975,966
Benefit changes	-	-	-	-
Difference between expected and actual changes	300,534	515,908	248,775	(252,646)
Assumption changes	-	(121,810)	-	349,949
Benefit payments and refunds	<u>(1,092,004)</u>	<u>(987,611)</u>	<u>(853,554)</u>	<u>(826,423)</u>
Net change in total pension liability	353,838	547,936	484,391	387,287
Total pension liability - beginning	<u>14,775,488</u>	<u>14,227,552</u>	<u>13,743,161</u>	<u>13,355,874</u>
Total pension liability - ending	<u>\$ 15,129,326</u>	<u>\$ 14,775,488</u>	<u>\$ 14,227,552</u>	<u>\$ 13,743,161</u>
Plan fiduciary net position:				
Employer contributions	\$ 244,897	\$ 319,492	\$ 267,471	\$ 283,222
Employee contributions	55,814	62,744	62,461	66,658
Pension plan net investment income	2,417,540	1,791,227	2,099,402	(706,250)
Benefit payments and refunds	(1,092,004)	(987,611)	(853,554)	(826,423)
Other	<u>258,477</u>	<u>189,542</u>	<u>85,884</u>	<u>272,523</u>
Net change in plan fiduciary net position	1,884,724	1,375,394	1,661,664	(910,270)
Plan fiduciary net position - beginning	<u>13,921,374</u>	<u>12,545,980</u>	<u>10,884,316</u>	<u>11,794,586</u>
Plan fiduciary net position - ending	<u>\$ 15,806,098</u>	<u>\$ 13,921,374</u>	<u>\$ 12,545,980</u>	<u>\$ 10,884,316</u>
Net pension (asset) liability	<u>\$ (676,772)</u>	<u>\$ 854,114</u>	<u>\$ 1,681,572</u>	<u>\$ 2,858,845</u>
Plan fiduciary net position as a percentage of total pension liability	<u>104.47%</u>	<u>94.22%</u>	<u>88.18%</u>	<u>79.20%</u>
Covered valuation payroll	<u>\$ 1,125,964</u>	<u>\$ 1,301,925</u>	<u>\$ 1,388,020</u>	<u>\$ 1,481,284</u>
Net pension liability as a percentage of covered valuation payroll	<u>-60.11%</u>	<u>65.60%</u>	<u>121.15%</u>	<u>193.00%</u>

* The Park District adopted GASB 68 in 2015 and will build a ten-year history prospectively.

See independent auditor's report.

2017	2016	2015
\$ 171,883	\$ 140,507	\$ 148,921
973,598	927,693	868,692
-	-	-
142,026	293,882	500,815
(424,616)	(60,070)	14,322
(804,771)	(739,145)	(704,966)
58,120	562,867	827,784
13,297,754	12,734,887	11,907,103
<u>\$ 13,355,874</u>	<u>\$ 13,297,754</u>	<u>\$ 12,734,887</u>
\$ 344,433	\$ 294,653	\$ 212,711
70,722	68,242	89,834
1,896,465	695,141	49,259
(804,771)	(739,145)	(704,966)
(213,678)	97,953	384,642
1,293,171	416,844	31,480
10,501,415	10,084,571	10,053,091
<u>\$ 11,794,586</u>	<u>\$ 10,501,415</u>	<u>\$ 10,084,571</u>
<u>\$ 1,561,288</u>	<u>\$ 2,796,339</u>	<u>\$ 2,650,316</u>
<u>88.31%</u>	<u>78.97%</u>	<u>79.19%</u>
<u>\$ 1,566,708</u>	<u>\$ 1,516,486</u>	<u>\$ 1,310,786</u>
<u>99.65%</u>	<u>184.40%</u>	<u>202.19%</u>

**Addison Park District
Illinois Municipal Retirement Fund
Required Supplementary Information -
Multiyear Schedule of Contributions
For the Last Ten Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
12/31/2021	\$ 165,884	\$ 165,884	\$ -	\$ 779,170	21.29 %
4/30/2021	270,914	270,914	-	1,138,919	23.79
4/30/2020	308,932	308,932	-	1,453,104	21.26
4/30/2019	267,187	267,187	-	1,389,300	19.23
4/30/2018	323,246	323,246	-	1,520,907	21.25
4/30/2017	326,636	326,636	-	1,625,117	20.10
4/30/2016	213,546	213,546	-	1,331,609	16.04

Notes to Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Market; 20% Corridor
Wage Growth	3.25%
Inflation	2.50%
Salary Increases	3.35% to 14.25% Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same 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.

Note - The Park District adopted GASB 68 for the year ended April 30, 2016, and will build a ten-year history prospectively.

See independent auditor's report.

**Addison Park District
Other Post-employment Benefits Retiree Healthcare Plan
Required Supplementary Information - Schedule of Changes
in the Employer's Net OPEB Liability and Related Ratios**

	<u>12/31/2021</u>	<u>4/30/2021</u>
Total OPEB liability:		
Service cost	\$ 3,296	\$ 2,963
Interest	820	1,955
Difference between expected and actual experience	(5,765)	(17,363)
Changes in assumptions	153	(4,443)
Benefit payments, including refunds of member contributions	(20,653)	(19,043)
Other changes	-	63,054
	<hr/>	<hr/>
Net change in total OPEB liability	(22,149)	27,123
Total OPEB liability, beginning of period	44,070	16,947
	<hr/>	<hr/>
Total OPEB liability, end of period	\$ 21,921	\$ 44,070
	<hr/>	<hr/>
Plan fiduciary net position, beginning of period	\$ -	\$ -
	<hr/>	<hr/>
Plan fiduciary net position, end of period	\$ -	\$ -
	<hr/>	<hr/>
Employer's net OPEB liability	\$ 21,921	\$ 44,070
	<hr/>	<hr/>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
	<hr/>	<hr/>
Covered employee payroll	\$ 1,120,292	\$ 1,189,264
	<hr/>	<hr/>
Employer's net OPEB liability as a percentage of covered-employee payroll	1.96%	3.71%
	<hr/>	<hr/>

Note: The Park District adopted GASB 75 in the fiscal year ended April 30, 2020, and will build a ten-year history prospectively. There is no actuarially determined contribution (ADC) or employer contribution in relation to the ADC as there is no trust that exists for funding the OPEB liabilities.

See independent auditor's report.

<hr/>	
	4/30/2020
	<hr/>
\$	10,751
	186
	263
	-
	(32)
	<hr/>
	11,168
	5,779
	<hr/>
\$	16,947
	<hr/>
\$	-
	<hr/>
\$	-
	<hr/>
\$	16,947
	<hr/>
	0.00%
	<hr/>
\$	973,300
	<hr/>
	1.74%
	<hr/>

**SUPPLEMENTARY INFORMATION
– OTHER MAJOR FUNDS**

**Addison Park District
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in
Fund Deficit - Budget and Actual
For the Period Ended December 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Property taxes	\$ 1,325,000	\$ 705,926	\$ (619,074)
Expenditures - debt service:			
Principal	1,578,000	585,000	993,000
Interest	400,668	370,015	30,653
Fees	5,000	12,900	(7,900)
Total expenditures	1,983,668	967,915	1,015,753
Revenues under expenditures before other financing sources	(658,668)	(261,989)	396,679
Other financing sources - bond issuance	615,000	498,019	(116,981)
Net changes in fund deficit	\$ (43,668)	236,030	\$ 279,698
Fund deficit, beginning of period		(351,940)	
Fund deficit, end of period		\$ (115,910)	

See independent auditor's report.

**Addison Park District
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Period Ended December 31, 2021**

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Developer donations	\$ 67,000	\$ 102,324	\$ 35,324
Expenditures - capital projects:			
Parks	545,000	159,924	385,076
Revenues under expenditures before other financing sources	(478,000)	(57,600)	420,400
Other financing sources - bond issuance	615,000	132,981	(482,019)
Net changes in fund balance	\$ 137,000	75,381	\$ (61,619)
Fund balance, beginning of period		6,097,084	
Fund balance, end of period		\$ 6,172,465	

See independent auditor's report.

STATISTICAL DATA

**Addison Park District
Computation of Legal Debt Margin
December 31, 2021**

	With Referendum	Without Referendum
Assessed valuation - 2021 tax year	\$ 1,362,392,322	\$ 1,362,392,322
Statutory debt limitation - percent of assessed valuation	2.875%	0.575%
	<u>\$ 39,168,779</u>	<u>\$ 7,833,756</u>
Total debt - general obligations bonds:		
Series 2016	\$ 1,206,000	\$ 1,206,000
Series 2017	1,449,000	1,449,000
Series 2018	1,575,000	1,575,000
Series 2019	1,392,000	1,392,000
Series 2020	835,000	835,000
Series 2020B	6,485,000	6,485,000
Series 2021	631,000	631,000
	<u>\$ 13,573,000</u>	<u>\$ 13,573,000</u>
Legal debt margin	<u>\$ 25,595,779</u>	<u>\$ (5,739,244)</u>

See independent auditor's report.

**Addison Park District
Statistical Comparison of Property Taxes
Levied to Collected - 2016 to 2021
December 31, 2021**

	5/1/2021 - 12/31/2021	5/1/2020 - 4/30/2021	5/1/2019 - 4/30/2020
Assessed valuation	\$ 1,362,392,322	\$ 1,308,122,094	\$ 1,267,031,310
Tax rates:			
General	0.1503%	0.1519%	0.1458%
Recreation	0.0702%	0.0723%	0.0793%
Recreation for the Handicapped	0.0227%	0.0155%	0.0240%
Illinois Municipal Retirement	0.0212%	0.0217%	0.0206%
Debt Service	0.1025%	0.1053%	0.1063%
Federal Insurance Contribution Act	0.0003%	0.0007%	0.0010%
Liability Insurance	0.0092%	0.0094%	0.0105%
	0.3764%	0.3768%	0.3875%
Tax extensions:			
General	\$ 2,047,677	\$ 1,987,037	\$ 1,847,332
Recreation	956,399	945,772	1,004,756
Recreation for the Handicapped	309,263	202,759	304,088
Illinois Municipal Retirement	288,827	283,862	261,008
Debt Service	1,396,452	1,377,453	1,346,854
Federal Insurance Contribution Act	4,087	9,157	12,670
Liability Insurance	125,340	122,964	133,038
	\$ 5,128,045	\$ 4,929,004	\$ 4,909,746
Collections	\$ -	\$ 4,914,152	\$ 4,892,300
Percentage of extensions collected	0.00%	99.70%	99.64%

See independent auditor's report.

5/1/2018 - 4/30/2019	5/1/2017 - 4/30/2018	5/1/2016 - 4/30/2017	5/1/2015 - 4/30/2016
\$ 1,199,916,741	\$ 1,141,051,608	\$ 1,055,791,718	\$ 980,573,801
0.1308%	0.1337%	0.1374%	0.1367%
0.0692%	0.0707%	0.0753%	0.0852%
0.0355%	0.0353%	0.0387%	0.0393%
0.0325%	0.0332%	0.0358%	0.0475%
0.1101%	0.1134%	0.1200%	0.1284%
0.0246%	0.0252%	0.0270%	0.0224%
0.0083%	0.0084%	0.0093%	0.0125%
0.4110%	0.4199%	0.4435%	0.4720%
\$ 1,569,491	\$ 1,525,586	\$ 1,450,658	\$ 1,340,444
830,342	806,724	795,011	835,449
425,971	402,791	408,591	385,366
389,973	378,829	377,973	465,773
1,321,108	1,293,953	1,266,950	1,259,057
295,180	287,545	285,064	219,649
99,593	95,848	98,189	122,572
\$ 4,931,658	\$ 4,791,276	\$ 4,682,436	\$ 4,628,310
\$ 4,904,162	\$ 4,778,038	\$ 4,673,474	\$ 4,613,928
99.44%	99.72%	99.81%	99.69%