

METRO EAST PARK AND RECREATION DISTRICT,
MADISON AND ST. CLAIR COUNTIES, ILLINOIS

FINANCIAL STATEMENTS

JUNE 30, 2021

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Independent Auditors' Report

To the Board of Directors
Metro East Park and Recreation District
Madison and St. Clair Counties, Illinois

Report on the Financial Statements

We have audited the accompanied financial statements of the governmental activities and the major fund of the Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois, as of and for the year ended June 30, 2021, and the related notes to the financial statements. These financial statements collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

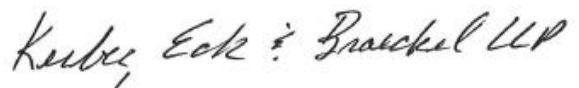
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10, budgetary comparison information on pages 30 through 32, Schedule of Changes in Net Pension Liability and Related Ratios on page 33, Schedule of Employer Contributions on page 34 and Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rate on page 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



St. Louis, Missouri

February 8, 2022

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
MANAGEMENT’S DISCUSSION AND ANALYSIS - UNAUDITED
June 30, 2021

As management of the Metro East Park and Recreation District (MEPRD), which is a State of Illinois enabled taxing district made up of the counties of Madison and St. Clair, we offer readers of the District's financial statements this narrative overview and analysis of the financial outlook of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which begin on page 11.

Financial Highlights

- As noted in the Statement of Activities, the District's overall financial position changed as shown in the net position increase from June 30, 2020 of \$61,587.
- As noted in the Statement of Net Position, net position for the governmental activities totaled \$31,108,525 with \$16,083,606 being invested in capital assets, \$295,238 being restricted for the Malcolm W. Martin Park property and \$2,528,887 for Scott-Troy / Woodland Trail, and \$12,200,794 in unrestricted net position.
- The MEPRD's cash and investments balance as of June 30, 2021, excluding restricted cash balances, was \$14,367,567 representing a increase of \$628,260 from June 30, 2020.
- Malcolm W. Martin Memorial Park was acquired by the District on June 7, 2005. Including the original donation of property, the Gateway Center of Metropolitan St. Louis, Inc. has donated in excess of \$16,500,000 to the District relating to the Park. A majority of the cash contributions were used for the construction of a Mississippi River Overlook, parking area, amphitheater, utility improvements, maintenance/security building and lighting improvements at the Park.

Listed below are the District's assets deferred outflow of revenues at June 30, 2021, including a column noting changes (increases/decreases) from June 30, 2020:

	2021	2020	Increase/ (Decrease)
Other assets	\$ 15,200,865	\$ 14,856,913	\$ 343,952
Capital assets, net of accumulated depreciation	16,083,606	16,414,149	(330,543)
Deferred outflow of resources	209,666	214,249	(4,583)
Total assets and deferred outflow of resources	<u>\$ 31,494,137</u>	<u>\$ 31,485,311</u>	<u>\$ 8,826</u>

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
MANAGEMENT’S DISCUSSION AND ANALYSIS - UNAUDITED
June 30, 2021

Listed below are the District's liabilities and deferred inflow of resources at June 30, 2021, including a column noting changes (increases/decreases) from June 30, 2020:

	2021	2020	Increase/ (Decrease)
Other liabilities	\$ 32,194	\$ 79,154	\$ (46,960)
Long-term liabilities			
Net pension liability	184,646	219,518	(34,872)
Accrued vacation pay	55,671	48,055	7,616
Deferred inflow of resources	113,101	91,646	21,455
Total liabilities and deferred inflow of resources	<u>\$ 385,612</u>	<u>\$ 438,373</u>	<u>\$ (52,761)</u>

Listed below is the District’s net position at June 30, 2021, including a column noting changes (increases/decreases) from June 30, 2020:

	2021	2020	Increase/ (Decrease)
Net investment in capital	\$ 16,083,606	\$ 16,414,149	\$ (330,543)
Restricted	2,823,086	3,201,790	(378,704)
Unrestricted	12,201,833	11,430,999	770,834
Total net position	<u>\$ 31,108,525</u>	<u>\$ 31,046,938</u>	<u>\$ 61,587</u>

As displayed below, the District's total revenues increased by \$423,993, expenses decreased by \$1,044,313 and the District's net position increased by \$61,587.

	2021	2020	Increase/ (Decrease)
REVENUES			
Program revenues			
Capital grants and contributions	\$ 21,954	\$ 155,968	\$ (134,014)
General revenues			
Sales tax	5,351,793	4,663,000	688,793
Park rental income	200	200	-
Pension income	8,838	-	8,838
Investment income	172,521	312,145	(139,624)
Total revenues	5,555,306	5,131,313	423,993
EXPENSES			
Governmental activities			
Cultural and recreation	5,493,719	6,498,032	(1,004,313)
Change in net position	61,587	(1,366,719)	
Net position at beginning of year	<u>31,046,938</u>	<u>32,413,657</u>	
Net position at end of year	<u>\$ 31,108,525</u>	<u>\$ 31,046,938</u>	

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
June 30, 2021

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the MEPRD's basic financial statements. The MEPRD's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains a schedule of revenues, expenditures, and changes in fund balance - budget and actual, schedule of changes in net pension liability and related ratios, and schedule of employer contributions and accompanying notes as required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the MEPRD's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the MEPRD's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the MEPRD is improving or deteriorating.

The Statement of Activities presents information showing how the MEPRD's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation or sick leave).

The government-wide financial statements report on the function of the MEPRD that is principally supported by intergovernmental revenues. The MEPRD's function is to provide an interconnecting system of parks and trails for the residents of Madison and St. Clair Counties, Illinois. The MEPRD is funded by a 1/10 cent sales tax in both counties for the purpose of establishing these goals. Fifty percent (50%) of the revenues of the sales tax collected is returned to the individual counties, based on their sales tax contributions to the District, the MEPRD retains the balance.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain controls over resources that have been segregated for specific activities or objectives. The MEPRD, like other state and local governments and districts, uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. Currently, the MEPRD has only one fund type, namely a governmental fund.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
June 30, 2021

Governmental Fund

The general fund is a governmental fund used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term *inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a district's near-term financing requirements.

The District maintains one general fund in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance. Because the focus of the governmental fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental fund with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental fund and *the governmental activities*. The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17 through 29.

Supplementary Information

The schedule of revenues, expenditures, and changes in the fund balance (budget and actual), schedule of changes in net pension liability and related ratios, and schedule of employer contributions and accompanying notes can be found on pages 30 through 35.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a district's financial position.

A large portion of the District's assets are cash and investments in certificates of deposit. The District uses these assets to provide grant funding to other governmental bodies within the confines of the two county area.

The Malcolm W. Martin Memorial Park and the related cash donations since June of 2005 are also a large portion of the District's assets.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
MANAGEMENT’S DISCUSSION AND ANALYSIS - UNAUDITED
June 30, 2021

Fund Financial Analysis

As noted earlier, the District uses fund accounting to insure and demonstrate compliance with finance-related legal requirements. The District's governmental fund is described below:

Governmental Fund

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

As of the end of the current fiscal year, the District's governmental fund, which consists currently of one revenue source fund, reported an ending fund balance of \$15,168,671 which is \$588,964 more than the \$14,579,707 reported at June 30, 2020. The District's main source of revenue, once again, is currently the 1/10 cents sales tax. The fund balance primarily represents the accumulation of revenue, donated capital, and interest income in excess of expenditures. The fund balance is restricted for allowable program expenditures.

Capital Asset and Debt Administration

As of June 30, 2021, the District has total capital assets (Malcolm W. Martin Memorial Park and District property) totaling \$20,173,943 with allowed accumulated depreciation expense of \$4,090,337. See Note C in the financial statements for more detailed information.

Long-Term Debt and Liabilities

The District currently has no long-term debt. The District's long term liabilities consist of net pension liability of \$184,646 and accrued vacation of \$55,671 at the end of the fiscal year, respectively. See Note D in the financial statements for more detailed information.

Comparison of Budget to Actual Results

Actual revenues exceeded budgeted revenues as the funding from the regional sales tax was larger than originally anticipated. Actual expenditures were less than budgeted expenditures mostly related to delays in grant projects and related grant payments due to COVID-19.

Economic and Future Factors

MEPRD's actual sales tax revenue for FY21 ended significantly higher than what was budgeted for the fiscal year. The reason for the difference can be attributed to two primary sources: 1) the budget was decreased significantly because uncertainty related to COVID-19. Additionally, the last 5 months of sales tax revenue in FY20 ended with flat or significantly decreased tax revenue compared to historical trends, and therefore the FY21 budgeted revenue reflected the decrease and uncertainties of the time. Fortunately, the downward trends ceased at the end of FY20 and didn't carry over into FY21. Normal to record sales tax revenue was reflected during the entire FY21, up until the allocation month of April when MEPRD first received new sales tax revenue from the Leveling the Playing Field for Illinois Retail Act, where

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
MANAGEMENT’S DISCUSSION AND ANALYSIS - UNAUDITED
June 30, 2021

online sales delivered within MEPRD’s jurisdiction included MEPRD’s sales tax. This new tax revenue began January 1, 2021, only to be received by MEPRD two to three months after it is collected by the Illinois Department of Revenue. The new sales tax revenue resulted in 20 to 40% increases for the individual allocation months ending FY21. Collectively, FY21 sales tax revenue ended with an approximate 25% increase compared to FY20.

MEPRD’s expenditures for FY21 remained below budget and reflected historical trends, as did expenditures for Malcolm W. Martin Memorial Park.

Similar to FY20, MEPRD allocated \$2,000,000 toward the FY21 Park and Trail Grant program. MEPRD also allocated \$300,000 toward the FY21 Community Planning Grant and \$20,000 toward the Event Sponsorship Grant Program. MEPRD continues to partner with MCT on the closeout of the Troy-O’Fallon Trail project (a.k.a. the MCT Goshen Trail) and the development of the Formosa West Trail. MEPRD also continues a partnership with St. Clair County Transit District (SCCTD) for a trail extending from Front Street in East St. Louis to the McKinley Bridge Bikeway, currently known as the Metro-East Riverfront Trail.

Malcolm W. Martin Memorial Park’s FY21 budgeted revenue reflected no contribution from the Gateway Center of Metropolitan St. Louis for the year, however MEPRD is expected to receive \$300,000 from the Gateway Center in FY22. Park permit and commercial filming income is expected to remain constant in FY21, i.e. following historical trends, as is park expenditures for the fiscal year.

Contacting the MEPRD's Financial Management

The financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Metro East Park and Recreation District, 104 United Drive, Collinsville, Illinois 62234, or by phone at (618) 346-4905.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents, unrestricted	\$ 5,765,323
Cash, restricted	294,199
Investments - certificates of deposit	8,602,244
Receivables	
Regional sales tax - net of County distributions	528,606
Interest	7,717
Prepaid expenses	2,776
Capital assets	
Nondepreciable - land	3,319,052
Depreciable, net of depreciation	12,764,554
Total assets	<u>31,284,471</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	<u>209,666</u>
LIABILITIES	
Accounts payable	32,194
Noncurrent liabilities due in more than one year	
Net pension liability	184,646
Accrued vacation pay	55,671
Total liabilities	<u>272,511</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension	<u>113,101</u>
NET POSITION	
Net investment in capital assets	16,083,606
Restricted for:	
Malcolm W. Martin Memorial Park	294,199
Troy-O'Fallon / Woodland Trail	2,528,887
Unrestricted	12,201,833
Total net position	<u>\$ 31,108,525</u>

The accompanying notes are an integral part of this statement.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
STATEMENT OF ACTIVITIES
Year ended June 30, 2021

Function/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Operating Grants and Contributions	Primary Government Governmental Activities	Total
Governmental activities:				
Cultural and recreation	\$ 5,493,719	\$ 21,954		\$ (5,471,765)
General revenues:				
Sales tax				5,351,793
Investment income				172,521
Pension income				8,838
Park rental income				200
Total general revenues				5,533,352
Change in net position				61,587
Net position at July 1, 2020				31,046,938
Net position at June 30, 2021				\$ 31,108,525

The accompanying notes are an integral part of this statement.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General Fund and Total Governmental Funds
	<u> </u>
ASSETS	
Cash and cash equivalents, unrestricted	\$ 5,765,323
Cash, restricted	294,199
Investments	8,602,244
Receivables	
Regional sales taxes - net of County distributions	528,606
Interest	7,717
Prepaid expenses	<u>2,776</u>
Total assets	<u><u>\$ 15,200,865</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	<u>\$ 32,194</u>
FUND BALANCES	
Nonspendable	
Prepaid expenses	2,776
Restricted	
Malcolm W. Martin Memorial Park	294,199
Troy-O'Fallon / Woodland Trail	2,528,887
Committed	
Grant awards	8,296,617
Unassigned	<u>4,046,192</u>
Total fund balances	<u>15,168,671</u>
Total liabilities and fund balances	<u><u>\$ 15,200,865</u></u>

The accompanying notes are an integral part of this statement.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2021

Fund balances of governmental funds	\$ 15,168,671
Capital assets of \$20,173,943, net of accumulated depreciation of \$4,090,337 used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	16,083,606
Accrued vacation pay is considered a noncurrent liability and, therefore, is not reported in the governmental funds (see Note D).	(55,671)
Net pension liability, net of related deferrals, is not due and payable in the current period, and therefore, is not reported in the governmental funds.	<u>(88,081)</u>
Net position of governmental activities	<u><u>\$ 31,108,525</u></u>

The accompanying notes are an integral part of this statement.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
Year ended June 30, 2021

	General Fund		
	MEPRD	MMMP	Total
REVENUES			
Sales tax	\$ 5,351,793	\$ -	\$ 5,351,793
Park rental income	-	200	200
Other grants	220,006	-	220,006
Interest income	171,736	785	172,521
Total revenues	<u>5,743,535</u>	<u>985</u>	<u>5,744,520</u>
EXPENDITURES			
Culture and recreation			
Sales tax reimbursements	2,635,758	-	2,635,758
Grant payments	1,411,725	-	1,411,725
Grant payments - Scott/Troy Trail	303,339	-	303,339
Employee related expenses	281,982	-	281,982
Professional services	53,652	166,433	220,085
State administration fee	80,277	-	80,277
Travel	548	-	548
Office expenses	9,626	1,689	11,315
Repairs and maintenance	87,797	44,638	132,435
Utilities	17,481	29,594	47,075
Other special events/sponsorships	1,408	570	1,978
Insurance	15,677	12,463	28,140
Dues and subscriptions	527	372	899
Total expenditures	<u>4,899,797</u>	<u>255,759</u>	<u>5,155,556</u>
Net change in fund balance	<u>\$ 843,738</u>	<u>\$ (254,774)</u>	<u>588,964</u>
FUND BALANCE			
At July 1, 2020			<u>14,579,707</u>
At June 30, 2021			<u>\$ 15,168,671</u>

The accompanying notes are an integral part of this statement.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
RECONCILIATION OF THE STATEMENT OF REVENUES AND EXPENDITURES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year ended June 30, 2021

Net change in fund balances for total governmental funds	\$ 588,964
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(330,543)
Changes in accrued vacation pay reported in the Statement of Activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(7,616)
Changes in net pension liability and related deferrals are reported only in the Statement of Activities	8,834
Payments received on accounts receivable are recorded as a revenue in the funds and recorded as a reduction to the receivable in the government-wide financial statements.	
Expense reimbursement receivable	<u>(198,052)</u>
Change in net position of governmental activities	<u>\$ 61,587</u>

The accompanying notes are an integral part of this statement.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois (District) (MEPRD) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and financial reporting practices. The more significant of the government's accounting policies are described below.

The Financial Reporting Entity

The District operates under a Board of Directors form of government. The primary duty of the District is the development, operation and maintenance of a public system of interconnecting trails and parks throughout Madison and St. Clair Counties in Illinois. As required by generally accepted accounting principles, these financial statements present the District (the primary government).

The District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the District should be included within its financial reporting entity. The criteria for including organizations within the District's reporting entity is financial accountability, as set forth in GASB Statement No. 14, and GASB Statement No. 61. Financial accountability is defined as either 1) appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government or 2) the component unit is fiscally dependent on the primary government and there are potential financial benefits or burdens on the primary government. Based on these criteria, there are no component units in the reporting entity.

Basis of presentation

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on the District as a whole. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support to external customers. Likewise, the primary government is reported separately from a certain legally separate component unit for which the primary government is financially accountable.

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 instead as general revenues.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District has no proprietary funds or fiduciary funds. The District has no nonmajor funds.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. The District use only one category of fund, which is governmental.

Governmental Fund Types

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The following is the District's major governmental fund:

General Fund - The General Fund is the District's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when received and expenses and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, revenue is recorded as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Sales taxes, grant revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

Cash and cash equivalents

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

Investments

The District's investments are considered to be certificates of deposit and long-term investments with original maturity of greater than three months from the date of acquisition and are stated at fair value.

Receivables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. Receivables are shown net of an allowance for uncollectible accounts where applicable. Receivables are recognized for sales taxes, interest, and intergovernmental grants. Management has determined that all receivables are collectible and no allowance for doubtful accounts is necessary.

Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide financial statements report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the government-wide financial statements report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenses.

Capital Assets and Depreciation

Capital assets, if any, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings and permanent structures	75 years
Equipment (including pumps and fountains)	50 years
Office equipment	10 years
Trails	15 years

Compensated Absences (Accrued Vacation Pay)

It is the policy of the District to permit employees to accumulate earned but unused vacation and sick time. Sick time is earned at a rate of 1 day per month and accumulated up to a maximum of 32.5 days. Accrued sick time has no cash value at the time of separation of employment. Vacation time is accrued differently for exempt and non-exempt employees. For non-exempt employees vacation is earned at a rate of 2 weeks per year upon the employee's date of hire. Once the non-exempt employee has reached 5 years of employment, vacation time is earned at a rate of 3 weeks per year. For exempt employees, the vacation accruals are the same until the employee reaches 10 years of service, at which point vacation is earned at a rate of 4 weeks per year.

All vacation is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignation and retirements.

In accordance with the provision of GASB Statement No. 16, no liability is recorded for non-vested accumulating rights to receive sick pay benefits. However, a liability is recognized for the portion of accumulated sick leave benefits that are estimated to be taken as "terminal leave" prior to retirement.

Equity Classifications

Government - Wide Statements

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

Net investment in capital assets - Net investment in capital assets consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Restricted net position consist of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

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

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balance as follows:

Non-spendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

Restricted - Includes fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the District board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the District board that originally created the commitment.

Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned by the District board taking action to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period. As of June 30, 2021, the District does not have assigned funds.

Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Other governmental funds may report a negative unassigned fund balance should the total of nonspendable, restricted, committed, and assigned fund balances exceed the total net resources of the fund.

Instead of a formal fund balance policy addressing the order in which resources are to be used when amounts are available for expenditure, the District uses the default approach allowed by Governmental Accounting Standards Board Statement No. 54. Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Estimates

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

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

NOTE B | DEPOSITS AND INVESTMENTS

The District is authorized by state statute and its investment policy to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the United States of America, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. The District does not enter into any reverse repurchase agreements.

At year-end, the carrying amount of the District's deposits totaled \$14,661,766 and bank balances totaled \$14,674,644.

Reconciliation to the financial statements:

	<u>Deposits</u>
Cash and cash equivalents	
Cash	\$ 4,836,254
Pooled investment	<u>929,069</u>
Total cash and cash equivalents	5,765,323
Investments	8,602,244
Restricted	
Cash	<u>294,199</u>
Carrying amount	<u><u>\$ 14,661,766</u></u>

Inherent Rate Risk

Interest rate risk is the risk that changes in the market interest rates 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 District generally invests in certificates of deposit.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, a government will not be able to recover its investments or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Funds on deposit (checking accounts, money markets, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent - third party institution in the name of the District.

As of June 30, 2021, of the bank balances, \$10,640,290 was insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC), and \$3,105,285 was covered by pledged collateral held in the District's name.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

The District's investment in the state investment pool is fully collateralized. The District maintains a separate investment account representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with each individual participant's account. The balance in the District's state investment pool as of June 30, 2021 was \$929,069.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's state investment pool has earned Standard and Poor's highest rating (AAAm).

NOTE C | CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities				
Capital assets not being depreciated				
Park assets				
Land	\$ 3,088,682	\$ -	\$ -	\$ 3,088,682
District assets				
Land	230,370	-	-	230,370
Total capital assets not being depreciated	<u>3,319,052</u>	-	-	<u>3,319,052</u>
Capital assets being depreciated				
Park assets				
Buildings	2,249,555	-	-	2,249,555
Overlook	8,761,499	-	-	8,761,499
Fountains, pumps and equipment	2,951,240	-	-	2,951,240
District assets				
Office building	1,552,840	-	-	1,552,840
Leaseholds improvements - trails	1,330,965	-	-	1,330,965
Office equipment	8,792	-	-	8,792
Total capital assets being depreciated	<u>16,854,891</u>	-	-	<u>16,854,891</u>
Less accumulated depreciation for				
Park assets				
Buildings	390,396	32,642	-	423,038
Overlook	1,296,073	117,331	-	1,413,404
Fountains, pumps, and equipment	948,872	68,203	-	1,017,075
District assets				
Office building	280,825	20,705	-	301,530
Leasehold improvements - trails	838,011	88,731	-	926,742
Office equipment	5,617	2,931	-	8,548
Total accumulated depreciation	<u>3,759,794</u>	<u>330,543</u>	-	<u>4,090,337</u>
Total capital assets being depreciated, net	<u>13,095,097</u>	<u>(330,543)</u>	-	<u>12,764,554</u>
Governmental activities capital assets, net	<u>\$ 16,414,149</u>	<u>\$ (330,543)</u>	<u>\$ -</u>	<u>\$ 16,083,606</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 330,543

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

NOTE D | LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2020:

Description and Purpose	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
Primary Government					
Net pension liability	\$219,518	\$ -	\$ 34,872	\$184,646	\$ -
Compensated absences					
Accumulated vacation pay	48,055	15,933	8,317	55,671	-
	\$267,573	\$ 15,933	\$ 43,189	\$240,317	\$ -

NOTE E | DEFINED BENEFIT PENSION PLAN

Retirement Commitments

Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1st every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

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

Retirees	1
Inactive	1
Active	<u>3</u>
Total	<u><u>5</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2020 was 15.64%. For the fiscal year ended June 30, 2021, the District contributed \$32,258 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.25%
Salary Increases	2.85% to 13.75%, including inflation
Investment Rate of Return	7.25%

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

Retirement Age Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

Asset Class	Target Allocation	Return 12/31/2020	Projected Returns/Risk	
			One Year Arithmetic	Ten Year Geometric
Equities	37.00%	22.07%	6.35%	5.00%
International Equities	18.00%	13.52%	7.65%	6.00%
Fixed Income	28.00%	7.87%	1.40%	1.30%
Real Estate	9.00%	4.20%	7.10%	6.20%
Alternatives	7.00%			
Private Equity		N/A	10.35%	6.95%
Hedge Funds		N/A	N/A	N/A
Commodities		N/A	3.90%	2.85%
Cash Equivalents	1.00%	2.56%	0.70%	0.70%
Total	<u>100.00%</u>			

Single Discount Rate

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

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

Changes in System's Net Pension Liability

Changes in the System's net pension liability for the year ended December 31, 2020, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability (Asset)
Balance, December 31, 2019	\$ 807,954	\$ 588,436	\$ 219,518
Changes for the year:			
Service cost	18,544	-	18,544
Interest	57,996	-	57,996
Difference between expected and actual experience	31,802	-	31,802
Changes of assumptions	(13,182)	-	(13,182)
Benefit payments and refunds	(34,564)	-	(34,564)
Contributions - employee	-	9,064	(9,064)
Contributions - employer	-	31,502	(31,502)
Net investment income	-	82,838	(82,838)
Benefit payments and refunds	-	(34,564)	34,564
Other (net transfer)	-	6,628	(6,628)
Net changes	60,596	95,468	(34,872)
Balance, December 31, 2020	\$ 868,550	\$ 683,904	\$ 184,646

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.25%	\$ 319,787
Current discount rate	7.25%	184,646
1% increase	8.25%	76,058

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

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

For the year ended June 30, 2021, the District recognized pension expense of \$23,424. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 140,711	\$ 14,510
Changes of assumptions	24,654	27,776
Net difference between projected and actual earnings on pension plan investments	26,695	70,815
Contributions after measurement date	17,606	-
	<u>\$ 209,666</u>	<u>\$ 113,101</u>

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

Year Ending December 31,

2021	\$ 7,887
2022	13,175
2023	(173)
2024	11,079
2025	18,802
Thereafter	28,189
	<u>\$ 78,959</u>

Payable

At December 31, 2020, the District did not report any amount payable to IMRF.

NOTE F | OTHER DISCLOSURES

Risk Management - Claims and Judgments

Losses are covered by commercial insurance for the District's workers' compensation and general and property liability insurance coverage. There have been no significant reductions in insurance coverage during the fiscal year. Settlement amounts, if applicable, have not exceeded insurance coverage for the current year or the three prior years.

Risk Management - COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The resulting restrictions on travel and quarantines imposed have had a negative impact on the U.S economy and business activity globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition and future results of operations.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO FINANCIAL STATEMENTS

Management is actively monitoring the impact of the global situation on its financial condition, operations, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations or financial condition for fiscal year 2021.

Committed Fund Balance - Grant Awards

In fulfilling its creation purpose, the District periodically makes financial grants to governmental organizations within Madison and St. Clair Counties in Illinois. The District Board is responsible for reviewing grant applications and approving grant awards. The District has awarded, through board resolution, grants to various other governmental entities. The amount of grant payments outstanding is \$4,885,669.

In addition to the matching grant commitments, the District has also entered into an agreement with the St. Clair County Transit District (SCCTD) to help fund a new bike trail to be named the Riverfront Trail. The District committed to fund \$340,000 of engineering expenses and \$3,150,000 of construction expenses for the Riverfront Trail and plans to apply for grants to help cover these expenses. As of June 30, 2021, the District has \$260,948 of engineering expenses and \$3,150,000 of construction expenses committed.

Gateway Center of Metropolitan St. Louis – Malcolm W. Martin Donation

On June 6, 2005, the District received a significant donation of approximately 31.686 acres of land located in St. Clair County, Illinois, including improvements known as the "Gateway Geyser" and four other fountains, pumps and related equipment, which have been valued at \$6,441,276. In addition, the District received \$2,500,000 in "initial funds" for the continued operation and maintenance of the above property. The District receives additional periodic donations. The District's obligations with regard to these donations are to maintain the property for use as a park and to use the funds provided solely for the maintenance of said property. The park is named "Malcolm W. Martin Memorial Park" as a memorial to Mr. Martin. Assets and liabilities related to the operation of the park are reported as restricted on the financial statements.

Professional Security Services

On June 11, 2019, the District made an agreement with Professional Security and Guard, a.k.a. Mr. Herman Atkins to provide security, public relations, and geyser and fountain operation duties and functions at the Malcolm W. Martin Memorial Park. For the year ended June 30, 2021 the District incurred \$162,060 of security expenses. Estimated expenses for these services for fiscal year 2022 is \$162,060.

Contingencies

The District has received funding from state and federal grants in the current and prior years which are subject to audits by granting agencies. The District Board believes any adjustments that may arise from these audits will be insignificant to District operations.

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (CASH BASIS) AND ACTUAL GENERAL FUND
Year Ended June 30, 2021

	General Fund - MEPRD		
	Original and Final Budget	Actual	Actual Revenues/ Expenditures (Over) Under Budget
REVENUES			
Sales Tax	\$ 3,600,000	\$ 5,015,244	\$ (1,415,244)
Grant Income	174,705	220,006	(45,301)
Interest Income	260,000	167,455	92,545
Total revenues	<u>4,034,705</u>	<u>5,402,705</u>	<u>(1,368,000)</u>
EXPENDITURES			
Culture and recreation			
Current			
Sales tax reimbursements	1,773,000	2,470,008	(697,008)
Grant payments	5,359,617	1,411,725	3,947,892
Grant payments - Scott/Troy Trail & Formosa West Trail	510,000	358,228	151,772
Employee relate expenses	249,400	279,103	(29,703)
Professional services	63,000	47,384	15,616
State administration fee	54,000	75,229	(21,229)
Travel	3,500	548	2,952
Office expenses	19,550	9,626	9,924
Repairs and maintenance	90,400	87,797	2,603
Utilities	21,500	17,481	4,019
Other special events/sponsorships	21,500	1,408	20,092
Insurance	18,500	15,381	3,119
Dues and publications	1,500	527	973
Contingency	15,000	-	15,000
Total expenditures	<u>8,200,467</u>	<u>4,774,445</u>	<u>3,426,022</u>
Net increase (decrease) in fund balances	<u>\$ (4,165,762)</u>	<u>\$ 628,260</u>	<u>\$ (4,794,022)</u>
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds			
Net increase in fund balances - above		\$	628,260
Adjustments to reconcile increase in fund balances to			
Net changes in fund balance			
Increases (decreases) in assets which are not recorded using cash basis			
Prepaid expenses			(6,564)
Receivables			
Regional sales tax - net of County distributions			170,799
Accrued interest receivable			4,281
Decreases in liabilities which are not recorded using the cash basis			
Accounts payable			<u>46,962</u>
Net changes in fund balance		\$	<u>843,738</u>

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (CASH BASIS) AND ACTUAL GENERAL FUND
Year Ended June 30, 2021

	General Fund - MMMP		
	Original and Final Budget	Actual	Actual Revenues/ Expenditures (Over) Under Budget
REVENUES			
Other income	\$ 1,000	\$ 200	\$ 800
Interest income	2,275	785	1,490
Total revenues	3,275	985	2,290
EXPENDITURES			
Utilities	46,500	29,594	16,906
Repairs and maintenance	76,500	44,638	31,862
Insurance	15,000	12,467	2,533
Office expenses	9,100	2,061	7,039
Professional services	171,700	151,089	20,611
Travel	900	-	900
Contingency	10,000	-	10,000
Special events	3,500	570	2,930
Total expenditures	333,200	240,419	92,781
Net decrease in fund balances	\$ (329,925)	\$ (239,434)	\$ (90,491)
Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds			
Net decrease in fund balances - above			\$ (239,434)
Adjustments to reconcile decrease in fund balances to			
Net changes in fund balance			
Increases in liabilities which are not recorded using the cash basis			
Accounts payable			(15,340)
Net changes in fund balance			\$ (254,774)

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (CASH BASIS) AND ACTUAL GENERAL FUND
Year Ended June 30, 2021

NOTE A | BUDGET AND BUDGETARY ACCOUNTING

The district followed these procedures in establishing the budgetary data reported in the financial statements for the year ended June 30, 2021:

1. Prior to June 30, the Director prepared a budget which was distributed to the District Board for their review.
2. Formal Board adoption of the budget was on June 10, 2020.
3. No amendments were made to the budget subsequent to its approval.
4. Annual budgets lapse at the fiscal year end.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presents a comparison of budgetary data to actual results. The District budgets on the cash basis

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - UNAUDITED

Calendar year ending December 31,	LAST 10 CALENDAR YEARS (schedule to be built prospectively from 2014)						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service Cost	\$ 18,544	\$ 18,742	\$ 16,577	\$ 24,231	\$ 23,364	\$ 22,920	\$ 24,279
Interest on the Total Pension Liability	57,996	54,934	50,939	38,309	35,394	31,755	27,525
Benefit Changes	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	31,802	2,747	16,613	158,427	(12,067)	(6,435)	(12,081)
Assumption Changes	(13,182)	-	26,477	(24,527)	(1,653)	753	17,921
Benefit Payments and Refunds	(34,564)	(33,629)	(32,690)	(15,734)	-	-	-
Net Change in Total Pension Liability	60,596	42,794	77,916	180,706	45,038	48,993	57,644
Total Pension Liability - Beginning	807,954	765,160	687,244	506,538	461,500	412,507	354,863
Total Pension Liability - Ending (a)	\$ 868,550	\$ 807,954	\$ 765,160	\$ 687,244	\$ 506,538	\$ 461,500	\$ 412,507
Plan Fiduciary Net Position							
Employer Contributions	\$ 31,502	\$ 23,827	\$ 17,682	\$ 22,785	\$ 21,829	\$ 21,652	\$ 19,451
Employee Contributions	9,064	7,556	8,078	10,032	9,716	9,405	9,108
Pension Plan Net Investment Income	82,838	92,245	(27,621)	59,625	26,223	1,880	19,951
Benefit Payments and Refunds	(34,564)	(33,629)	(32,690)	(15,734)	-	-	-
Other	6,628	1,812	12,358	16,440	(1,172)	(24,402)	(765)
Net Change in Plan Fiduciary Net Position	95,468	91,811	(22,193)	93,148	56,596	8,535	47,745
Plan Fiduciary Net Position - Beginning	588,436	496,625	518,818	425,670	369,074	360,539	312,794
Plan Fiduciary Net Position - Ending (b)	\$ 683,904	\$ 588,436	\$ 496,625	\$ 518,818	\$ 425,670	\$ 369,074	\$ 360,539
Net Pension Liability/(Asset) - Ending (a)-(b)	\$ 184,646	\$ 219,518	\$ 268,535	\$ 168,426	\$ 80,868	\$ 92,426	\$ 51,968
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.74%	72.83%	64.90%	75.49%	84.04%	79.97%	87.40%
Covered Valuation Payroll	\$ 201,417	\$ 167,918	\$ 179,517	\$ 222,943	\$ 215,920	\$ 208,998	\$ 202,391
Net Pension Liability as a Percentage of Covered Valuation Payroll	91.67%	130.73%	149.59%	75.55%	37.45%	44.22%	25.68%

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
SCHEDULE OF EMPLOYER CONTRIBUTIONS - UNAUDITED

LAST 10 CALENDAR YEARS (schedule to be built prospectively from 2014)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 19,450	\$ 19,451	\$ (1)	\$ 202,391	9.61%
2015	21,652	21,652	-	208,998	10.36%
2016	21,830	21,829	1	215,920	10.11%
2017	22,785	22,785	-	222,943	10.22%
2018	17,682	17,682	-	179,517	9.85%
2019	23,828	23,827	1	167,918	14.19%
2020	31,502	31,502	-	201,417	15.64%

Metro East Park and Recreation District, Madison and St. Clair Counties, Illinois
SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE
CALCULATION OF THE 2020 CONTRIBUTION RATE

Valuation Date:

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

Methods and Assumptions Used to Determine 2020 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies- 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 23-year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERL. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 18 years for most employers (three employers were financed over 27 years and four others were financed over 28 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
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.

Other Information:

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation.