

# VERNON HILLS PARK DISTRICT, ILLINOIS

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
MAY 31, 2020

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED MAY 31, 2020**

**Prepared by:**  
**Administration Department**

**VERNON HILLS PARK DISTRICT, ILLINOIS**

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the District including: List of Principal Officials, Organizational Chart, Transmittal Letter, and Certificate of Achievement for Excellence in Financial Reporting.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Principal Officials**

**May 31, 2020**

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**BOARD OF PARK COMMISSIONERS**

David Doerhoefer, President

James Ballowe, Vice President

Cindy Kessler, Commissioner  
Bruce Robbins, Commissioner

Mike Meline, Commissioner

**ADMINISTRATIVE**

Jeff Fougerousse, Executive Director

Marla DeCicco, Superintendent of Finance and Human Resources

Tom Ritter, Superintendent of Recreation/ADA Compliance Officer

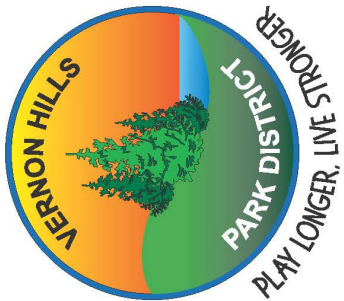
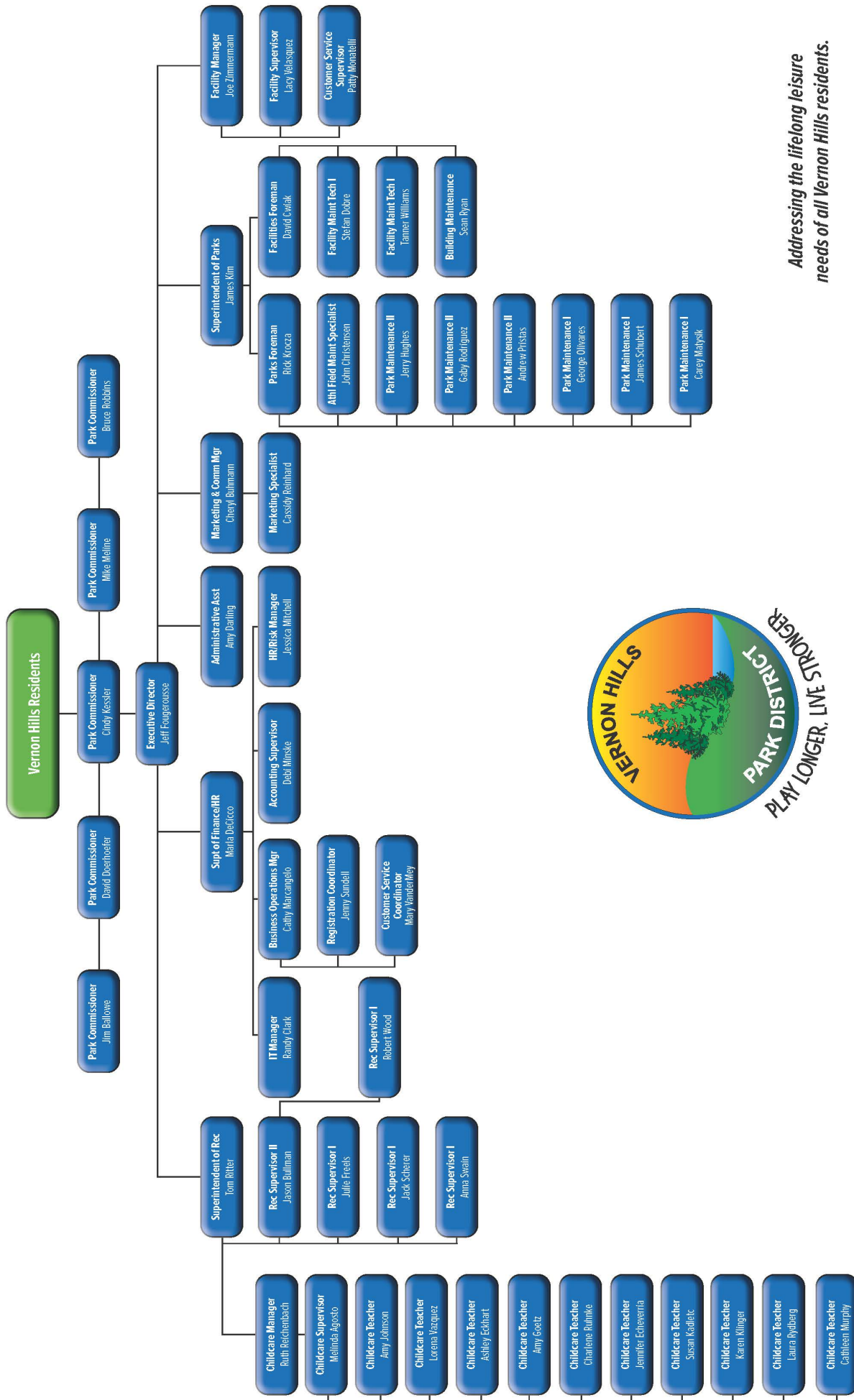
James Kim, Superintendent of Parks

Cheryl Buhmann, Marketing and Communications Manager

Jessica Mitchell, Human Resources/Risk Manager

Joseph Zimmerman, Facility Manager

# Vernon Hills Park District Organizational Chart



Addressing the lifelong leisure needs of all Vernon Hills residents.





September 30, 2020

To the Citizens of the Vernon Hills Park District:

The comprehensive annual financial report of the Vernon Hills Park District, Illinois (District) for the fiscal year ended May 31, 2020, is hereby submitted as mandated by State Statutes. The District is required to issue annually a report of its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District has established a comprehensive set of internal controls that are designed to protect the District's assets from loss, theft, or misuse. These internal controls are also used to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. Included with this report are all disclosures necessary to enable the reader to gain the maximum understanding of the Park District's financial affairs.

Generally accepted accounting principles, (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and is meant to be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

This report includes all funds of the District. The District provides a full range of recreation programs and services at a community center, an aquatic center, a fitness/childcare center and over 20 parks. The programs and services cover a broad spectrum including early childhood, youth, active adult, athletic, fitness, aquatic, childcare, special events and facility rentals.

The District, incorporated in 1973, is located in south central Lake County, which ranks as one of the top growth areas in the country. Vernon Hills is a community of 25,911 residents and covers 10 square miles.



**Sullivan Community Center** 635 N. Aspen Drive • Vernon Hills, IL 60061 • Phone 847-996-6800 • Fax 847-996-6801  
**Lakeview Fitness** 700 Lakeview Parkway • Vernon Hills, IL 60061 • Phone 847-996-6330 • Fax 847-367-5855  
**Maintenance Facility** 1400 Indianwood Drive • Vernon Hills, IL 60061 • Phone 847-362-0920 • Fax 847-362-3618  
[www.vhparkdistrict.org](http://www.vhparkdistrict.org)

Vernon Hills is a mature suburb with a diverse populace, housing stock infrastructure and is a major center of retail shopping. Major employers include BCU, Mercer Human Resource Consulting, Rust-Oleum Company, American Hotel Register and CDW Computer Centers, Inc. Vernon Hills continues to offer its residents an excellent quality of life including excellent schools for students of all ages, access to a wide variety of medical services, social and recreational opportunities and numerous lakes, parks and forest preserves. Points of interest in Vernon Hills include the Cuneo Museum and Gardens, Glacier Ice Arena, White Deer Run Golf Course, the Vernon Hills Golf Course, Hawthorn Mall, the Arbortheater and the Vernon Hills Athletic Complex.

The District operates under a commissioner-director form of government. The Board consists of five individuals who are elected from the District at large to serve six-year staggered terms. The Board is vested with all policymaking and legislative responsibilities. The Board employs an Executive Director to administer the policies, programs, and direct staff. Some of the Board responsibilities include approval of the budget, tax levy, ordinances, long-term financial and capital planning; as well as establishment of committees and appointment of the District's attorney, treasurer and Board secretary.

## **LONG-TERM FINANCIAL PLANNING**

The District has established cash reserve policies to ensure funds are available for future operating, emergency and cash flow needs. In addition, the Board, Executive Director and Division Heads meet annually to review the district's five-year Capital Improvement Plan. The Capital Improvement Plan (CIP) is a planning tool that addresses the operational impact of projects and enables staff to incorporate these costs into the operating budget. The CIP flows directly from the District's five-year Parks and Recreation Master Plan, which currently covers the period 2019 to 2023. The District's overall direction and priorities are provided in a five-year strategic plan. The District's Strategic Plan is based on community feedback and defines priorities to guide the Board in setting policy and approving budgets based on community desires and needs and clarifies organizational direction. The Strategic Plan is reviewed annually and the results are shared with the community.

## **MAJOR INITIATIVES**

***For the Year.*** Each year when preparing the budget, the District reviews its annual capital improvement plan. The five-year plan identifies facilities, equipment or programs that need to be either acquired, developed or expanded to better meet the needs of the citizens and to enhance the quality of recreation within the community. The plan is revised annually to reflect changes in the population being served, the financial capacity, and condition of the District, and the impact that these two factors have on the programming needs of the citizens.

The majority of the District's capital improvements focus on park improvements, vehicle and equipment replacement, technology upgrades, repair, and/or replacement of existing facilities and equipment, as well as compliance with safety standards and legal requirements. Projects for the fiscal 2020 year included the installation of a new Skate Park at the Sullivan Community Center and the installation of a new playground at the Kiddie Koral Park. A new restroom building was erected in Century Park, flooring and bathrooms upgrades were completed at the Little Learners Childcare facility and the inline skating structure at Hartmann Park was replaced with a Futsol Court. New vehicles and equipment purchased for the park maintenance staff included a new riding aerator and a super duty truck.

***For the Future.*** For fiscal 2021, the District has put on hold most capital projects due to the COVID Pandemic. The projects that are budgeted to be completed include the resurfacing of the Sullivan Center Parking lot and Laschen tennis courts, and the installation of the Kindergarten Building playground adjacent to the Sullivan Center. The District will also continue to support their environmental initiatives and provide wellness initiatives for staff and residents.

**Debt Administration.** As of May 31, 2020, the District had outstanding debt of \$10,842,062. \$10,085,787 in General Obligation Bonds, principal and interest, and \$756,275 owed to the Village of Vernon Hills for the purchase of the YMCA. On January 1, 2013, the park district entered into an installment agreement with the Village of Vernon Hills to repay a loan made by the village to purchase the YMCA. The loan is for \$2,025,000 for 0% interest with a maturity date of December 31, 2029. Under State Statutes, the District's aggregate indebtedness cannot exceed the legal debt limit of 2.875% of the value of the taxable property within the District. As of May 31, 2020, the District's aggregate outstanding debt is well below the \$37,148,206 legal debit limit set by law.

## **OTHER INFORMATION**

**Independent Audit.** Illinois Compiled Statutes require an annual audit by independent certified public accountants. The District's Board of Park Commissioners selected the accounting firm of Lauterbach & Amen, LLP, Certified Public Accountants. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Certificate of Achievement – The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the government for its comprehensive annual financial report for the fiscal year ended May 31, 2019. This was the 25th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

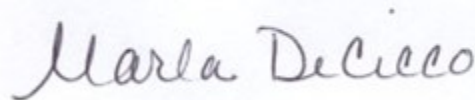
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements – This report is the result of the combined efforts of the Executive Director, the Superintendent of Finance & HR and the Finance Assistant of the Park District working with an independent auditor and accounting firm. This report is prepared at one time during the year, but would not be possible without the consistent attention to procedures and to monitoring of accounts by the Superintendent of Finance & Human Resources/Treasurer and Finance Assistant of the District. The support of the Board of Park Commissioners throughout the year is also essential to ensure a sound financial environment in which to conduct the operations of the Vernon Hills Park District.

Respectfully submitted,



Jeffrey Fougousse, CPRP  
Executive Director/Board Secretary



Marla DeCicco, CPRP  
Superintendent of Finance & HR/Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Vernon Hills Park District  
Illinois**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

May 31, 2019

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the District's independent auditing firm.



## **INDEPENDENT AUDITORS' REPORT**

September 30, 2020

Members of the Board of Commissioners  
Vernon Hills Park District  
Vernon Hills, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Vernon Hills Park District, Illinois, as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Vernon Hills Park District, Illinois, as of May 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vernon Hills Park District, Illinois' basic financial statements. The introductory section, other supplementary information, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **VERNON HILLS PARK DISTRICT, ILLINOIS**

### **Management Discussion and Analysis**

**May 31, 2020**

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Our discussion and analysis of the Vernon Hills Park District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended May 31, 2020. Please read it in conjunction with the transmittal letter, which begins on page 3 and the District's financial statements, which begin on page 27.

### **FINANCIAL HIGHLIGHTS**

- The District's net position increased as a result of this year's operations. While net position of business-type activities decreased by \$1,280,036, or 100.0 percent, due to the closing of the Kindergarten Building Fund into a capital projects fund, net position of the governmental activities increased by \$13,047,835, or 53.2 percent.
- During the year, government-wide revenues before transfers for the primary government totaled \$22,002,015, while expenses totaled \$10,234,216, resulting in an increase to net position of \$11,767,799 prior to transfers in of \$1,280,036.
- The District's net position totaled \$37,555,764 on May 31, 2020, which includes \$36,583,247 net investment in capital assets, \$256,250 subject to external restrictions, and \$716,267 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$223,555, or 27.4 percent, resulting in ending fund balance of \$1,039,847.
- Beginning net position was restated from \$25,418,658 to \$25,787,965. This restatement was to correct a reclassification of capital assets, recognition of the OPEB liability under GASB 75, and to correct an error in the recognition of grants receivables.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 27 - 30) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 31. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

**Management Discussion and Analysis**

**May 31, 2020**

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**USING THIS ANNUAL REPORT - Continued**

**Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 27 - 30 of this report.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, 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 District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

The Statement of Activities presents information showing how the government'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., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, and recreation. The business-type activities of the District include Kindergarten Building operations.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Management Discussion and Analysis

May 31, 2020

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### USING THIS ANNUAL REPORT - Continued

#### Fund Financial Statements - Continued

##### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the District's near-term financing requirements.

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

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Recreation Fund, Lakeview Fitness Fund, Kindergarten Building Fund, Bond Fund, and Capital Projects Fund, which are considered a major fund. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for all of the governmental funds, except the Kindergarten Building Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 31 - 37 of this report.

##### Proprietary Fund

The District maintains one proprietary fund type: enterprise. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District utilizes an enterprise fund to account for its Kindergarten Building operations, which was closed into a capital projects fund at the beginning of the year.

## **VERNON HILLS PARK DISTRICT, ILLINOIS**

### **Management Discussion and Analysis**

**May 31, 2020**

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#### **USING THIS ANNUAL REPORT - Continued**

##### **Fund Financial Statements - Continued**

##### **Proprietary Fund - Continued**

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Kindergarten Building Fund, which is considered to be a major fund of the District.

The basic proprietary fund financial statements can be found on pages 38 - 40 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 financial statements can be found on pages 41 - 76 of this report.

##### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's I.M.R.F., other post-employment benefit obligations, and budgetary comparison schedules for the General Fund and major special revenue funds. Required supplementary information can be found on pages 78 - 84 of this report. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 88 - 101 of this report.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$37,555,764.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Management Discussion and Analysis**

**May 31, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 13,310,393	9,899,222	—	4,355,934	13,310,393	14,255,156
Capital Assets	45,142,992	31,450,034	—	1,779,285	45,142,992	33,229,319
Total Assets	58,453,385	41,349,256	—	6,135,219	58,453,385	47,484,475
Deferred Outflows of Resources	478,029	892,261	—	—	478,029	892,261
Total Assets and Deferred Outflows	58,931,414	42,241,517	—	6,135,219	58,931,414	48,376,736
Long-Term Debt	8,896,890	11,595,256	—	4,488,750	8,896,890	16,084,006
Other Liabilities	6,548,732	1,183,051	—	366,433	6,548,732	1,549,484
Total Liabilities	15,445,622	12,778,307	—	4,855,183	15,445,622	17,633,490
Deferred Inflows of Resources	5,930,028	5,324,588	—	—	5,930,028	5,324,588
Total Liabilities and Deferred Inflows	21,375,650	18,102,895	—	4,855,183	21,375,650	22,958,078
Net Position						
Net Investment in Capital Assets	36,583,247	24,235,627	—	1,779,285	36,583,247	26,014,912
Restricted	256,250	387,678	—	—	256,250	387,678
Unrestricted (Deficit)	716,267	(484,683)	—	(499,249)	716,267	(983,932)
Total Net Position	37,555,764	24,138,622	—	1,280,036	37,555,764	25,418,658

A large portion of the District’s net position, \$36,583,247 or 97.4 percent, reflects its investment in capital assets (for example, land, construction in progress, buildings and improvements, machinery and equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$256,250 or less than one percent, of the District’s net position represents resources that are subject to external restrictions on how they may be used. The remaining 1.9 percent, or \$716,267, represents unrestricted net position and may be used to meet the District’s ongoing obligations to citizens and creditors.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Management Discussion and Analysis**

**May 31, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

	Change in Net Position					
	Governmental		Business-Type		Totals	
	Activities	Activities	Activities	Activities	2020	2019
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 16,380,602	4,680,777	—	536,128	16,380,602	5,216,905
Operating Grants/Contributions	—	473,605	—	—	—	473,605
Capital Grants/Contributions	—	—	—	—	—	—
<b>General Revenues</b>						
Property Taxes	5,045,637	5,008,603	—	—	5,045,637	5,008,603
Other Taxes	25,505	—	—	—	25,505	—
Interest Income	83,708	104,351	—	—	83,708	104,351
Other Revenue Sources	466,563	49,170	—	—	466,563	49,170
<b>Total Revenues</b>	<b>22,002,015</b>	<b>10,316,506</b>	<b>—</b>	<b>536,128</b>	<b>22,002,015</b>	<b>10,852,634</b>
<b>Expenses</b>						
General Government	1,332,130	2,348,818	—	—	1,332,130	2,348,818
Recreation	8,647,873	8,252,731	—	—	8,647,873	8,252,731
Interest on Long-Term Debt	254,213	264,494	—	—	254,213	264,494
<b>Total Expenses</b>	<b>10,234,216</b>	<b>10,866,043</b>	<b>—</b>	<b>—</b>	<b>10,234,216</b>	<b>10,866,043</b>
Change in Net Position before Transfers	11,767,799	(549,537)	—	536,128	11,767,799	(13,409)
Transfers-Internal Balances	1,280,036	—	(1,280,036)	—	—	—
Increase (Decrease) in Net Position	13,047,835	(549,537)	(1,280,036)	536,128	11,767,799	(13,409)
Net Position - Beginning as Restated	24,507,929	24,688,159	1,280,036	743,908	25,787,965	25,432,067
Net Position - Ending	37,555,764	24,138,622	—	1,280,036	37,555,764	25,418,658

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Management Discussion and Analysis**

**May 31, 2020**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

Net position of the District’s governmental activities increased by 53.2 percent (\$37,555,764 in 2020 compared to a restated \$24,507,929 in 2019). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$716,267 at May 31, 2020.

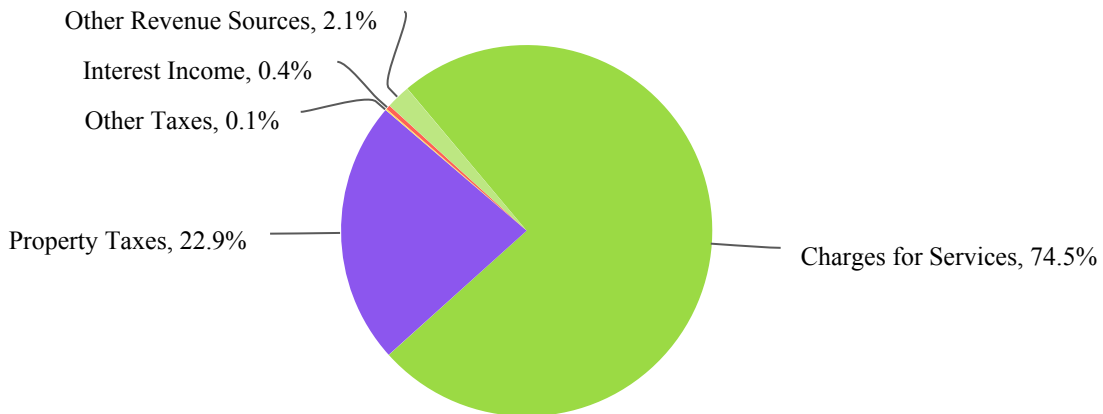
Net position of business-type activities decreased by 100.00 percent due to the closing of the Kindergarten Building Fund into a capital projects fund.

**Governmental Activities**

Revenues for governmental activities totaled \$22,002,015, while the cost of all governmental functions totaled \$10,234,216. This results in a surplus of \$11,767,799 prior to transfers in of \$1,280,036. In 2019, expenses of \$10,866,043 exceeded revenues of \$10,316,506, resulting in a deficit of \$549,537. The large surplus in 2020 was due to the rental income from the Hawthorn Community Consolidated School District No. 73 for the kindergarten building construction project.

The following table graphically depicts the major revenue sources of the District. It depicts very clearly the reliance of charges for services and property taxes to fund governmental activities. It also clearly identifies the less significant percentage the District receives from other taxes, other revenue sources and interest income.

**Revenue by Source - Governmental Activities**





**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Management Discussion and Analysis**

**May 31, 2020**

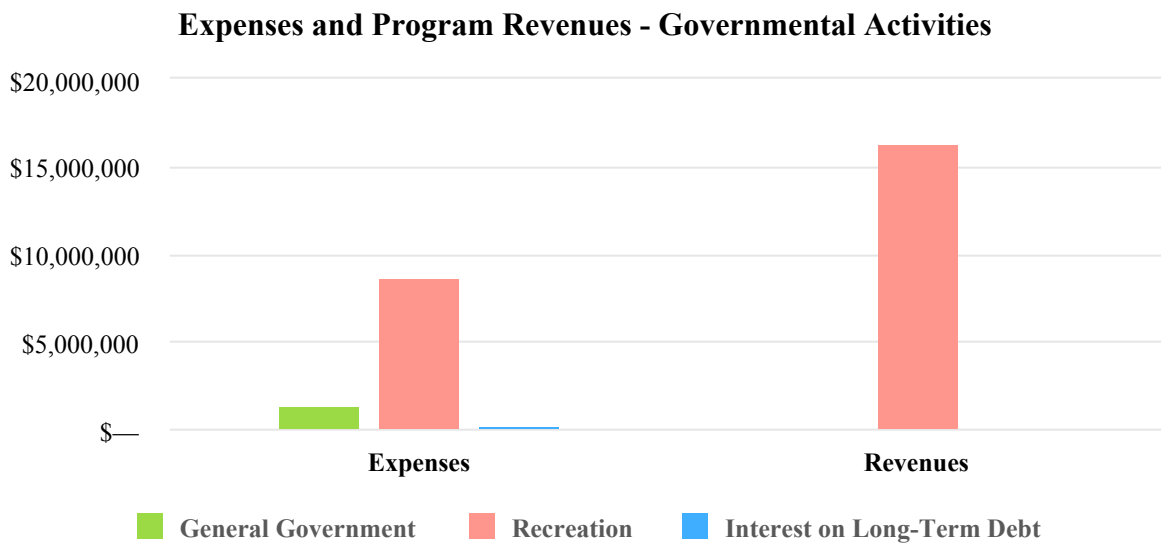
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

**Governmental Activities - Continued**

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



**Business-Type Activities**

Business-type activities net position was transferred to the governmental activities at fiscal year-end.

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Management Discussion and Analysis

May 31, 2020

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

#### Governmental Funds

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

The District's governmental funds reported combining ending fund balances of \$3,104,225, which is a decrease of \$740,155, or 19.3 percent, from last year's total of \$3,844,380.

The General Fund reported an increase in fund balance for the year of \$223,555, or 27.4 percent. This was due in large part to expenditures for all functions in the General Fund being under budget. Budgeted expenditures totaled \$2,240,978 while actual expenditures totaled \$2,193,162. These variances are further outlined on the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund of the District. At May 31, 2020, unassigned fund balance in the General Fund was \$1,038,805, which represents 99.9 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 47.4 percent of total General Fund expenditures.

The Recreation Fund reported a decrease in fund balance for the year of \$175,044, or 7.0 percent. This was due in large part to actual charges for services of \$1,886,584 being lower than budget of \$2,585,943. This decrease in revenues was primarily offset by expenditures being under budget. Budgeted expenditures totaled \$3,897,364 while actual expenditures totaled \$3,540,413. These variances are further outlined on the Recreation Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Lakeview Fitness Fund reported a decrease in fund balance for the year of \$350,091, or 40.2 percent. This was due in large part to actual charges for services of \$1,569,965 being lower than budget of \$2,068,863. This decrease in revenues was primarily offset by expenditures being under budget. Budgeted expenditures totaled \$2,178,765 while actual expenditures totaled \$1,920,056. These variances are further outlined on the Lakeview Fitness Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

## **VERNON HILLS PARK DISTRICT, ILLINOIS**

### **Management Discussion and Analysis**

**May 31, 2020**

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## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued**

### **Governmental Funds - Continued**

The Bond Fund reported an increase in fund balance for the year of \$649, or less than one percent. The fund balance of \$337,151 in the debt service fund is restricted for future debt service payments.

The Capital Projects Fund reported a decrease in fund balance for the year of \$363,639, or 28.0 percent. This was due in large part to planned capital outlay of \$1,033,229 being offset by \$295,700 in revenues. This variance is further outlined on the Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Kindergarten Building Fund reported no change in fund balance for the year. Revenues of \$12,655,869 were offset by capital outlay of \$12,156,620 and a transfer out of \$499,249 to close out the proprietary fund. This variance is further outlined on the Kindergarten Building Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

### **Proprietary Funds**

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The District reports the Kindergarten Building as a major proprietary fund. The Kindergarten Building Fund is used to account for and report financial resources that are restricted for capital outlays related to the construction of the Kindergarten Building and was closed into the Kindergarten Building - Capital Projects Fund at May 31, 2020.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The District Board of Commissioners made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$2,416,717, compared to budgeted revenues of \$2,426,833. The variance is due primarily to revenues for interest income being lower than budgeted.

The General Fund actual expenditures for the year were \$47,816 lower than budgeted (\$2,193,162 actual compared to \$2,240,978 budgeted). The general government and recreation functions' actual expenditures were lower than budgeted expenditures by \$39,805 and \$8,011, respectively.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Management Discussion and Analysis**

**May 31, 2020**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental and business type activities as of May 31, 2020 was \$45,142,992 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and vehicles

	Capital Assets - Net of Depreciation					
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 10,715,011	10,715,011	—	—	10,715,011	10,715,011
Construction in Progress	13,855,905	423,783	—	1,779,285	13,855,905	2,203,068
Buildings and Improvements	16,366,718	16,672,581	—	—	16,366,718	16,672,581
Machinery and Equipment	4,069,170	3,903,050	—	—	4,069,170	3,903,050
Vehicles	136,188	159,392	—	—	136,188	159,392
Totals	45,142,992	31,873,817	—	1,779,285	45,142,992	33,653,102

This year's major additions included:

Construction in Progress	\$ 12,076,620
Buildings and Improvements	165,500
Machinery and Equipment	554,182
Vehicles	33,755
Total	<u>12,830,057</u>

The fiscal year 2020 capital budget includes \$1,149,192 for capital projects, principally for the installation of a new skate park at the Sullivan Center, a new restroom building in Century Park and a new Futsol Court in Hartmann Park.

Additional information on the District's capital assets can be found in note 3 of this report.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Management Discussion and Analysis**

**May 31, 2020**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued**

**Debt Administration**

At year-end, the District had total outstanding debt of \$9,225,665 as compared to \$9,736,691 the previous year, a decrease of 5.2 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ 8,469,390	8,896,385	—	—	8,469,390	8,896,385
Intergovernmental Loan	756,275	840,306	—	—	756,275	840,306
Totals	9,225,665	9,736,691	—	—	9,225,665	9,736,691

The District maintains an Aaa rating from Moody’s for general obligation debt. This rating has not changed in the past five years. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 2.875 percent of its total assessed valuation. The current debt limit for the District is \$37,148,206.

Additional information on the District’s long-term debt can be found in Note 3 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

The Vernon Hills Park District’s elected and appointed officials considered many factors when setting the fiscal year 2021 budget, tax rates, and fees that will be charged for its governmental. One of those factors is the economy. According to the Bureau of Labor Statistics, unemployment rates for May 31, 2020 for Vernon Hills was 12.4 percent and the state and national unemployment rates were 10.3 and 13.3 percent, respectively.

These indicators were taken into account when adopting the budget for 2021. Amounts available for appropriation in the 2021 budget are \$11,647,057, a decrease of 6% percent from the final 2020 budget of \$12,382,535. Some of the District’s new programs and initiatives in the 2021 budget include funds to install the Kindergarten Playground, resurface the Sullivan Center and Family Aquatic Center parking lots and to complete the new skate park. Equipment purchases include fitness equipment for Lakeview Fitness Center and vehicles and equipment for the parks department. Park improvements include shelter renovations, the clearing of Sullivan Woods and path improvements.

## **VERNON HILLS PARK DISTRICT, ILLINOIS**

### **Management Discussion and Analysis**

**May 31, 2020**

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - Continued**

The District's elected and appointed officials considered many factors when setting the fiscal year 2021 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The District is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation, unemployment rates, and the affects of the global health emergency from COVID-19.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Vernon Hills Park District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Marla DeCicco, Superintendent of Finance and Human Resources, Vernon Hills Park District, 294 Evergreen Drive, Illinois 60061.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

Proprietary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Net Position**

**May 31, 2020**

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**See Following Page**



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Net Position**

**May 31, 2020**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 8,095,746	—	8,095,746
Receivables - Net of Allowances	5,213,605	—	5,213,605
Prepays	1,042	—	1,042
Total Current Assets	<u>13,310,393</u>	<u>—</u>	<u>13,310,393</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	24,570,916	—	24,570,916
Depreciable	39,032,054	—	39,032,054
Accumulated Depreciation	(18,459,978)	—	(18,459,978)
Total Noncurrent Assets	<u>45,142,992</u>	<u>—</u>	<u>45,142,992</u>
Total Assets	<u>58,453,385</u>	<u>—</u>	<u>58,453,385</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	467,377	—	467,377
Deferred Items - RBP	10,652	—	10,652
Total Deferred Outflows of Resources	<u>478,029</u>	<u>—</u>	<u>478,029</u>
Total Assets and Deferred Outflows of Resources	<u>58,931,414</u>	<u>—</u>	<u>58,931,414</u>

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

	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 1,255,621	—	1,255,621
Accrued Payroll	41,014	—	41,014
Retainage Payable	975,732	—	975,732
Deposits Payable	25,046	—	25,046
Accrued Interest Payable	108,871	—	108,871
Other Payables	2,479,489	—	2,479,489
Current Portion of Long-Term Debt	1,662,959	—	1,662,959
Total Current Liabilities	<u>6,548,732</u>	—	<u>6,548,732</u>
Noncurrent Liabilities			
Compensated Absences Payable	190,346	—	190,346
Net Pension Liability - IMRF	867,815	—	867,815
Total OPEB Liability - RBP	138,081	—	138,081
General Obligation Bonds Payable - Net	7,028,404	—	7,028,404
Intergovernmental Loan	672,244	—	672,244
Total Noncurrent Liabilities	<u>8,896,890</u>	—	<u>8,896,890</u>
Total Liabilities	<u>15,445,622</u>	—	<u>15,445,622</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	5,429,266	—	5,429,266
Deferred Items - IMRF	495,970	—	495,970
Deferred Items - RBP	4,792	—	4,792
Total Deferred Inflows of Resources	<u>5,930,028</u>	—	<u>5,930,028</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,375,650</u>	—	<u>21,375,650</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	36,583,247	—	36,583,247
Restricted			
Special Recreation	27,970	—	27,970
Debt Service	228,280	—	228,280
Unrestricted	<u>716,267</u>	—	<u>716,267</u>
Total Net Position	<u>37,555,764</u>	—	<u>37,555,764</u>

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Activities**

**For the Fiscal Year Ended May 31, 2020**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 1,332,130	—	—	—
Recreation	8,647,873	16,380,602	—	—
Interest on Long-Term Debt	254,213	—	—	—
<b>Total Governmental Activities</b>	<b>10,234,216</b>	<b>16,380,602</b>	<b>—</b>	<b>—</b>
<b>Business-Type Activities</b>				
Kindergarten Building	—	—	—	—
<b>Total Primary Government</b>	<b>10,234,216</b>	<b>16,380,602</b>	<b>—</b>	<b>—</b>

General Revenues

Taxes

Property Taxes

Intergovernmental - Unrestricted

Personal Property Replacement Tax

Interest Income

Miscellaneous

Internal Transfers

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(1,332,130)	—	(1,332,130)
7,732,729	—	7,732,729
(254,213)	—	(254,213)
6,146,386	—	6,146,386
—	—	—
6,146,386	—	6,146,386
5,045,637	—	5,045,637
25,505	—	25,505
83,708	—	83,708
466,563	—	466,563
1,280,036	(1,280,036)	—
6,901,449	(1,280,036)	5,621,413
13,047,835	(1,280,036)	11,767,799
24,507,929	1,280,036	25,787,965
37,555,764	—	37,555,764

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Balance Sheet - Governmental Funds**

**May 31, 2020**

	General	Special Revenue	
		Recreation	Lakeview Fitness
<b>ASSETS</b>			
Cash and Investments	\$ 1,387,702	1,094,036	—
Receivables - Net of Allowances			
Property Taxes	2,254,580	1,400,987	—
Accounts	—	22,880	—
Due from Other Funds	—	1,516,911	—
Prepays	1,042	—	—
Total Assets	<u>3,643,324</u>	<u>4,034,814</u>	<u>—</u>
<b>LIABILITIES</b>			
Accounts Payable	196,063	(1,096)	20,062
Accrued Payroll	14,417	21,137	4,831
Retainage Payable	—	—	—
Deposits Payable	15,576	9,470	—
Other Payables	19,282	219,339	—
Due to Other Funds	—	—	1,195,460
Total Liabilities	<u>245,338</u>	<u>248,850</u>	<u>1,220,353</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	2,358,139	1,465,338	—
Total Liabilities and Deferred Inflows of Resources	<u>2,603,477</u>	<u>1,714,188</u>	<u>1,220,353</u>
<b>FUND BALANCES</b>			
Nonspendable	1,042	—	—
Restricted	—	—	—
Assigned	—	2,320,626	—
Unassigned	1,038,805	—	(1,220,353)
Total Fund Balances	<u>1,039,847</u>	<u>2,320,626</u>	<u>(1,220,353)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>3,643,324</u>	<u>4,034,814</u>	<u>—</u>

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

Debt Service Bond	Capital Projects			Nonmajor	Totals
	Capital Projects	Kindergarten Building			
384,972	1,074,722	4,102,966		51,348	8,095,746
1,041,109	—	—		494,049	5,190,725
—	—	—		—	22,880
—	—	—		—	1,516,911
—	—	—		—	1,042
1,426,081	1,074,722	4,102,966		545,397	14,827,304
—	140,568	892,797		7,227	1,255,621
—	—	—		629	41,014
—	—	975,732		—	975,732
—	—	—		—	25,046
—	—	2,234,437		6,431	2,479,489
—	—	—		321,451	1,516,911
—	140,568	4,102,966		335,738	6,293,813
1,088,930	—	—		516,859	5,429,266
1,088,930	140,568	4,102,966		852,597	11,723,079
—	—	—		—	1,042
337,151	—	—		27,970	365,121
—	934,154	—		—	3,254,780
—	—	—		(335,170)	(516,718)
337,151	934,154	—		(307,200)	3,104,225
1,426,081	1,074,722	4,102,966		545,397	14,827,304

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities**

**May 31, 2020**

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<b>Total Governmental Fund Balances</b>	\$ 3,104,225
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.	45,142,992
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(28,593)
Deferred Items - RBP	5,860
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(237,933)
Net Pension Liability - IMRF	(867,815)
Total OPEB Liability - RBP	(138,081)
General Obligation Bonds - Net	(8,559,745)
Intergovernmental Loan	(756,275)
Accrued Interest Payable	(108,871)
<b>Net Position of Governmental Activities</b>	<u><u>37,555,764</u></u>

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended May 31, 2020**

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**See Following Page**



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended May 31, 2020**

	General	Special Revenue	
		Recreation	Lakeview Fitness
Revenues			
Taxes	\$ 2,321,099	1,405,709	—
Intergovernmental	25,505	—	—
Charges for Services	—	1,886,584	1,569,965
Investment Income	26,617	31,450	—
Miscellaneous	43,496	59,944	—
Total Revenues	<u>2,416,717</u>	<u>3,383,687</u>	<u>1,569,965</u>
Expenditures			
Current			
General Government	981,873	—	—
Parks and Recreation	1,211,289	3,540,413	1,920,056
Capital Outlay	—	—	—
Debt Service			
Principal Retirement	—	—	—
Interest and Fiscal Charges	—	—	—
Total Expenditures	<u>2,193,162</u>	<u>3,540,413</u>	<u>1,920,056</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>223,555</u>	<u>(156,726)</u>	<u>(350,091)</u>
Other Financing Sources (Uses)			
Debt Issuance	—	—	—
Transfers In	—	—	—
Transfers Out	—	(18,318)	—
	<u>—</u>	<u>(18,318)</u>	<u>—</u>
Net Change in Fund Balances	223,555	(175,044)	(350,091)
Fund Balances - Beginning as Restated	<u>816,292</u>	<u>2,495,670</u>	<u>(870,262)</u>
Fund Balances - Ending	<u><u>1,039,847</u></u>	<u><u>2,320,626</u></u>	<u><u>(1,220,353)</u></u>

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

Debt Service Bond	Capital Projects		Nonmajor	Totals
	Capital Projects	Kindergarten Building		
1,068,829	—	—	250,000	5,045,637
—	—	12,651,410	—	12,676,915
—	—	—	272,643	3,729,192
4,074	16,608	4,459	500	83,708
84,031	279,092	—	—	466,563
1,156,934	295,700	12,655,869	523,143	22,002,015
—	—	—	—	981,873
—	—	—	617,046	7,288,804
—	1,033,229	12,156,620	—	13,189,849
1,570,416	—	—	—	1,570,416
271,369	—	—	—	271,369
1,841,785	1,033,229	12,156,620	617,046	23,302,311
(684,851)	(737,529)	499,249	(93,903)	(1,300,296)
1,059,390	—	—	—	1,059,390
—	373,890	—	18,318	392,208
(373,890)	—	(499,249)	—	(891,457)
685,500	373,890	(499,249)	18,318	560,141
649	(363,639)	—	(75,585)	(740,155)
336,502	1,297,793	—	(231,615)	3,844,380
337,151	934,154	—	(307,200)	3,104,225

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

VERNON HILLS PARK DISTRICT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the  
Governmental Funds to the Statement of Activities - Governmental Activities  
For the Fiscal Year Ended May 31, 2020**

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**Net Change in Fund Balances - Total Governmental Funds** \$ (740,155)

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

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.

Capital Outlays	12,830,057
Depreciation Expense	(1,340,167)
Disposals - Cost	(187,669)
Disposals - Accumulated Depreciation	187,669
Business-Type Activities Transfers In	1,779,285

The net effect of deferred outflows (inflows) of resources related  
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(642,385)
Change in Deferred Items - RBP	1,382

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	(15,371)
Change in Net Pension Liability - IMRF	670,882
Change in Total OPEB Liability - RBP	(23,875)
Retirement of Debt	1,570,416
Issuance of Debt	(1,059,390)
Unamortized Debt Premium	6,951

Changes to accrued interest on long-term debt in the Statement of Activities  
does not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

10,205

**Changes in Net Position of Governmental Activities**

13,047,835

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Statement of Net Position - Proprietary Fund - Business-Type Activities  
May 31, 2020

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	<u>Kindergarten Building</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ —
Noncurrent Assets	
Capital Assets	
Nondepreciable	—
Depreciable	—
Accumulated Depreciation	—
Total Noncurrent Assets	<u>—</u>
Total Assets	<u>—</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	—
Accrued Payroll	—
Other Payables	—
Total Current Liabilities	<u>—</u>
Noncurrent Liabilities	
Other Payables	<u>—</u>
Total Liabilities	<u>—</u>
<b>NET POSITION</b>	
Investment in Capital Assets	—
Unrestricted	<u>—</u>
Total Net Position	<u><u>—</u></u>

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position -  
Proprietary Fund - Business-Type Activities  
For the Fiscal Year Ended May 31, 2020

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	<u>Kindergarten Building</u>
Operating Revenues	\$ —
Operating Expenses	<u>—</u>
Income Before Transfers	<u>—</u>
Transfers In	499,249
Capital Transfers Out to Governmental Activities	<u>(1,779,285)</u>
	<u>(1,280,036)</u>
Change in Net Position	(1,280,036)
Net Position - Beginning	<u>1,280,036</u>
Net Position - Ending	<u><u>—</u></u>

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Cash Flows - Proprietary Fund - Business Type Activities  
For the Fiscal Year Ended May 31, 2020**

	<u>Kindergarten Building</u>
Cash Flows from Operating Activities	\$ (4,855,183)
Cash Flows from Noncapital and Financing Activities	
Transfers In	<u>499,249</u>
Net Change in Cash and Cash Equivalents	(4,355,934)
Cash and Cash Equivalents - Beginning	<u>4,355,934</u>
Cash and Cash Equivalents - Ending	<u><u>—</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income	—
Adjustments to Reconcile Operating Income to Net Income to	
Net Cash Provided by (Used In) Operating Activities:	
Increase (Decrease) in Current Liabilities	<u>(4,855,183)</u>
Net Cash Provided by	<u><u>(4,855,183)</u></u>
Noncash Capital and Related Financing Activities	
Capital Transfers Out to Governmental Activities	<u><u>(1,779,285)</u></u>

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

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Vernon Hills Park District (the District) of Illinois is duly organized and existing under the provisions of the laws of the State of Illinois. The District is operating under the provisions of the Park District Code of the State of Illinois approved November 30, 1973 and under all laws amendatory thereto. The District operates under the commissioner-director form of government. The District provides a variety of recreational facilities, programs and services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

#### REPORTING ENTITY

The District's financial reporting entity comprises the following:

Primary Government:	Vernon Hills Park District
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In determining the financial reporting entity, the District complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the District. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

#### BASIS OF PRESENTATION

##### Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's parks, recreation and general administrative services are classified as governmental activities. The District's kindergarten building services is classified as business-type activities, but have been closed to the governmental activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District utilizes restricted resources to finance qualifying activities.

# **VERNON HILLS PARK DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**May 31, 2020**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **BASIS OF PRESENTATION - Continued**

##### **Government-Wide Statements - Continued**

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (general government, recreation, kindergarten building, etc.). These functions are supported by general government revenues (property taxes and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, recreation, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income and charges for services, etc.).

The District allocates indirect costs to other funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid for through the General Fund.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

##### **Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. District's funds are reported within the governmental category. The emphasis in fund financial statements is on the major funds and nonmajor funds are summarized into a single column.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The District electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is a primary operating fund of the District or meets the following criteria:



# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

#### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

*General Fund* is the general operating fund of the District. It accounts for all revenues and expenditures of the District which are not accounted for in other funds. The General Fund is a major fund.

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains four special revenue funds. The Recreation Fund, a major fund, is used to account for revenue and expenditures restricted, committed or assigned to recreation programs and is funded by a restricted tax levy and user fees. The Lakeview Fitness Fund, also a major fund, is used to account for the operations of Lakeview Fitness and Little Learners Childcare. The Special Recreation Fund, a nonmajor fund, is used to account for property taxes restricted for funding recreation activities for disabled individuals. The Family Aquatic Center Fund, also a nonmajor fund, is used to account for the operations of the District's water parks. Financing is provided primarily from fees charged for programs and activities.

*Debt Service Funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Bond Fund is treated as a major fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

##### Governmental Funds - Continued

*Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The District maintains two major capital projects funds. The Capital Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlays including the acquisition and construction of capital facilities and other capital assets. The Kindergarten Building Fund is used to account for and report financial resources that are restricted for capital outlay related to the construction of the Kindergarten Building. The fund was previously reported as an enterprise fund and was reclassified as a capital projects fund with a transfer.

##### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

*Enterprise Funds* are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Kindergarten Building Fund is used to account for and report financial resources that are restricted for capital outlays related to the construction of the Kindergarten Building and was closed into the capital projects fund.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

##### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

##### Measurement Focus - Continued

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

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary equity is classified as net position.

##### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

##### Basis of Accounting - Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for sales and services. The District also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

##### Prepays

Prepays are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY**

**Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and other accounts.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more (depending on asset class) and a useful life of more than one year, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	5 - 50 Years
Machinery and Equipment	5 - 15 Years
Vehicles	5 - 15 Years

**Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

##### Compensated Absences

The District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

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

##### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

##### Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

The District follows these procedures in establishing the budgetary data.

a. The Superintendent of Recreation, the Superintendent of Parks, the Facility Manager and the Marketing and Communication Manager present detailed budget requests by general ledger line item to the Superintendent of Finance and Human Resources in January.

b. The Superintendent of Finance and Human Resources reviews the proposed budget with the Executive Director in January.

c. Two budget workshops are held with the Executive Director, Division Heads and Park Board in February and March. The February workshop includes a review of the capital improvement projects to be included in the budget.

d. A Budget and Appropriations hearing is held at a special Board meeting in May.

e. Budgets for the Funds are legally adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Capital Projects, Nonmajor, and Debt Service Funds, with the exception of the Kindergarten Building Fund. Expenditures may not legally exceed appropriations at the fund level. Any expenditures in excess of the legally adopted appropriation must be approved by the Board through a supplemental appropriation.

f. Budgetary control is exercised by the Board at the fund level. No amendments to the budget are allowed without Board approval.

h. All budget authority lapses at the end of the year. No supplemental appropriations were adopted during the current fiscal year.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND**

The following fund had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
Special Recreation	\$ 5,036

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued**

**DEFICIT FUND BALANCES**

The following funds had deficit fund balance as of the date of this report:

Fund	Deficit
Lakeview Fitness	\$ 1,220,353
Family Aquatic Center	335,170

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the District's funds.

Permitted Deposits and Investments – Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, and commercial paper rated within the three highest classifications by at least two standard rating services.

**Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the District's deposits for governmental activities totaled \$8,095,746 and the bank balances totaled \$8,327,461.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's objective is to mitigate both credit and interest rate risk. Therefore, in accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio in a manner to maintain the best available market rate of return throughout budgetary and economic cycles while preserving and protecting capital in the overall portfolio.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by avoiding any investment transaction or practice which in appearance or fact might impair public confidence in the District's stewardship of public funds. The District limits investments to instruments authorized under state statute. The District's policy does not further limit investments of the District.



# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name. At year-end, the entire bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the District's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the District's name.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy requires diversification as follows:

- Investments in any one particular bank or savings and loan shall not exceed 10% of the investment portfolio or 10% of that financial institution's capital unless fully insured.
- No single commercial paper investment shall exceed 10% of the portfolio, may not have a maturity longer than 180 days, may not exceed 5% of the corporation's outstanding commercial paper debt and is limited to no more than one-third of the District's portfolio.
- Mortgage backed securities will not exceed 30% of the portfolio.
- The District's investment policy specifically prohibits investments in derivative instruments.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**DEPOSITS AND INVESTMENTS - Continued**

**Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued**

*Concentration Risk - Continued.* At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**PROPERTY TAXES**

Property taxes for 2019 attach as an enforceable lien on January 1, 2019, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3% of the tax levy, to reflect actual collection experience.

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Balances**

The composition of interfund balances as of the date of this report is as follows:

Receivable Fund	Payable Fund	Amount
Recreation	Lakeview Fitness	\$ 1,195,460
Recreation	Nonmajor	<u>321,451</u>
		<u><u>1,516,911</u></u>

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. Also, interfund balances are advances in anticipation of receipts to cover temporary cash shortages.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued**

**Interfund Transfers**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital Projects	Bond - Debt Service	\$ 373,890 (2)
Nonmajor	Recreation	18,318 (1)
Business-Type Kindergarten Building	Capital Projects Kindergarten Building	499,249 (3)
Governmental Activities	Business-Type Kindergarten Building	<u>1,779,285 (3)</u>
		<u><u>2,670,742</u></u>

Transfers are used to:

- (1) Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them,
- (2) Move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and
- (3) Move the remaining net position balance as of May 31, 2020 in the Kindergarten Building Fund to the Kindergarten Building Fund (Capital Projects) and to governmental activities.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Transfers In/(Out)	Ending Balances
<b>Nondepreciable Capital Assets</b>					
Land	\$ 10,715,011	—	—	—	10,715,011
Construction in Progress	423,783	12,076,620	423,783	1,779,285	13,855,905
	<u>11,138,794</u>	<u>12,076,620</u>	<u>423,783</u>	<u>1,779,285</u>	<u>24,570,916</u>
<b>Depreciable Capital Assets</b>					
Buildings and Improvements	30,689,431	589,283	137,669	—	31,141,045
Machinery and Equipment	6,724,810	554,182	50,000	—	7,228,992
Vehicles	628,262	33,755	—	—	662,017
	<u>38,042,503</u>	<u>1,177,220</u>	<u>187,669</u>	<u>—</u>	<u>39,032,054</u>
<b>Less Accumulated Depreciation</b>					
Buildings and Improvements	14,016,850	895,146	137,669	—	14,774,327
Machinery and Equipment	2,821,760	388,062	50,000	—	3,159,822
Vehicles	468,870	56,959	—	—	525,829
	<u>17,307,480</u>	<u>1,340,167</u>	<u>187,669</u>	<u>—</u>	<u>18,459,978</u>
Total Net Depreciable Capital Assets	<u>20,735,023</u>	<u>(162,947)</u>	<u>—</u>	<u>—</u>	<u>20,572,076</u>
Total Net Capital Assets	<u>31,873,817</u>	<u>11,913,673</u>	<u>423,783</u>	<u>1,779,285</u>	<u>45,142,992</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 75,598
Public Works	<u>1,264,569</u>
	<u><u>1,340,167</u></u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS - Continued**

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Transfers In/(Out)	Ending Balances
Nondepreciable Capital Assets					
Construction in Progress	\$ 1,779,285	—	—	(1,779,285)	—

**LONG-TERM DEBT**

**General Obligation Bonds**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$4,000,000 General Obligation (Alternate Revenue Source) Park Bonds of 2013A due in annual installments of \$410,000 to \$480,000 plus interest at 2.00% - 3.00% through December 15, 2022.	\$ 1,865,000	—	455,000	1,410,000
\$6,000,000 General Obligation (Alternate Revenue Source) Park Bonds of 2016A due in annual installments of \$35,000 to \$675,000 plus interest at 2.00% - 3.00% through December 15, 2032.	6,000,000	—	—	6,000,000

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**General Obligation Bonds - Continued**

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,031,385 General Obligation Limited Tax Park Bonds of 2018 due in one installment of \$1,031,385 plus interest at 2.59% on December 15, 2019.	\$ 1,031,385	—	1,031,385	—
\$1,059,390 General Obligation Limited Tax Park Bonds of 2019 due in one installment of \$1,059,390 plus interest at 1.81% on December 1, 2020.	—	1,059,390	—	1,059,390
	8,896,385	1,059,390	1,486,385	8,469,390

**Long-Term Liabilities Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 222,562	30,742	15,371	237,933	47,587
Net Pension Liability - IMRF	1,538,697	—	670,882	867,815	—
Total OPEB Liability - RBP	114,206	23,875	—	138,081	—
General Obligation Bonds	8,896,385	1,059,390	1,486,385	8,469,390	1,524,390
Unamortized Bond Premium	97,306	—	6,951	90,355	6,951
Intergovernmental Loan	840,306	—	84,031	756,275	84,031
	11,709,462	1,114,007	2,263,620	10,559,849	1,662,959

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**Long-Term Liabilities Activity - Continued**

Payments on the compensated absences, the net pension liability, and the total OPEB liability are liquidated by the General Fund. The Debt Service Fund makes payments on the general obligation bonds. The intergovernmental loan is being paid by the Capital Projects Fund.

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2021	\$ 1,524,390	235,811
2022	480,000	202,900
2023	500,000	188,500
2024	510,000	173,850
2025	530,000	163,650
2026	550,000	147,750
2027	570,000	131,250
2028	590,000	114,154
2029	610,000	96,450
2030	635,000	42,982
2031	645,000	59,100
2032	650,000	39,750
2033	675,000	20,250
Totals	<u>8,469,390</u>	<u>1,616,397</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**Intergovernmental Loan**

On March 3, 2013, the District entered into an agreement with the Village of Vernon Hills (Village) for the purchase of the Vernon Hills YMCA building and property. The agreement specifies that the 50% of impact fees intended for the District will be applied to the District's repayment of the loan. At May 31, 2020 the total intergovernmental loan payable is \$756,275. The annual debt service requirements to maturity are as follows:

Fiscal Year	Payment
2021	\$ 84,031
2022	84,031
2023	84,031
2024	84,031
2025	84,031
2026	84,031
2027	84,031
2028	84,031
2029	<u>84,027</u>
	<u><u>756,275</u></u>

**Legal Debt Margin**

Chapter 70, Section 1205/6-2 of the Illinois Compiled Statutes provides "...for the payment of land condemned or purchased for parks or boulevards, for the building, maintaining, improving and protection of the same and for the payment of the expenses incident thereto, or for the acquisition of real estate and lands to be used as a site for an armory, any park district is authorized to issue the bonds or notes of such park district and pledge its property and credit therefore to an amount including existing indebtedness of such district so that the aggregate indebtedness of such district does not exceed 2.875% of the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the issue from time to time of such bonds or notes or, until January 1, 1983, if greater, the sum that is produced by multiplying the district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, if a petition, signed by voters in number equal to not less than 2% of the voters of the district, who voted at the last general election in the district, asking that the authorized aggregate indebtedness of the district be increased to not more than .575% of the value of the taxable property therein, is presented to the Board and such increase is approved by the voters of the district at a referendum held on the question."



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**Legal Debt Margin - Continued**

Assessed Valuation - 2019	<u>\$ 1,292,111,520</u>
Legal Debt Limit - 2.875% of Assessed Value	37,148,206
Amount of Debt Applicable to Limit	
General Obligation Park Bonds of 2019	<u>1,059,390</u>
Legal Debt Margin	<u>36,088,816</u>
Non-Referendum Legal Debt Limit	
0.575% of Equalized Assessed Value	7,429,641
Amount of Debt Applicable to Limit	
General Obligation Park Bonds of 2019	<u>1,059,390</u>
Non-Referendum Legal Debt Margin	<u>6,370,251</u>

**NET POSITION CLASSIFICATIONS**

Net investment in capital assets was comprised of the following as of May 31, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 45,142,992
Less Capital Related Debt:	
General Obligation Park Bonds of 2013A	(1,410,000)
General Obligation Park Bonds of 2016A	(6,000,000)
General Obligation Limited Tax Park Bonds of 2019	(1,059,390)
Unamortized Bond Premium	<u>(90,355)</u>
Net Investment in Capital Assets	<u>36,583,247</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS**

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue			Capital Projects			Totals
		Recreation	Lakeview Fitness	Debt Service Bond	Capital Projects	Kindergarten Building	Nonmajor	
Fund Balances								
Nonspendable								
Prepays	\$ 1,042	—	—	—	—	—	—	1,042
Restricted								
Special Recreation	—	—	—	—	—	—	27,970	27,970
Debt Service	—	—	—	337,151	—	—	—	337,151
	—	—	—	337,151	—	—	27,970	365,121
Assigned								
Recreation	—	2,320,626	—	—	—	—	—	2,320,626
Capital Projects	—	—	—	—	934,154	—	—	934,154
	—	2,320,626	—	—	934,154	—	—	3,254,780
Unassigned	1,038,805	—	(1,220,353)	—	—	—	(335,170)	(516,718)
Total Fund Balances	1,039,847	2,320,626	(1,220,353)	337,151	934,154	—	(307,200)	3,104,225

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS - Continued**

*Assigned Fund Balance.* Consists of amounts that are constrained by the Board of Commissioners' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Commissioners itself or b) a body or official to which the Board of Commissioners has delegated the authority to assign amounts to be used for specific purposes. The District' highest level of decision-making authority is the Board of Commissioners, who is authorized to assign amounts to a specific purpose.

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

*Minimum Fund Balance Policy.* It is the goal of the District to achieve and thereafter maintain a General Fund reserve balance equal to 25% of its annual expenditures.

**Net Position/Fund Balance Restatement**

Beginning net position was restated to correct a reclassification of capital assets and recognition of the OPEB liability under GASB 75. In addition, beginning fund balance was restated to correct an error in the recognition of grants receivables. See below beginning net position/fund balance as reported and as restated.

<u>Net Position/Fund Balance</u>	<u>As Reported</u>	<u>As Restated</u>	<u>Increase</u>
Governmental Activities	\$ 24,138,622	24,507,929	369,307
General	761,040	816,292	55,252

**CONTINGENT LIABILITIES**

**Litigation**

The District is not a defendant in any lawsuits at year-end. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

**Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CONTINGENT LIABILITIES - Continued**

**Financial Impact from COVID-19**

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District’s operations and financial position cannot be determined.

**NOTE 4 – OTHER INFORMATION**

**RISK MANAGEMENT**

**Park District Risk Management Agency (PDRMA)**

The 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 October 2010, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials’, employment practices liability and workers compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect for the period January 1, 2020 to January 1, 2021:

<b>Coverage</b>	<b>Member Deductible</b>	<b>PDRMA Self-Insured Retention</b>	<b>Limits</b>
<b>PROPERTY</b>			
Property/Bldg/Contents			
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	\$100,000	\$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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 4 – OTHER INFORMATION - Continued**

**RISK MANAGEMENT - Continued**

**Park District Risk Management Agency (PDRMA) - Continued**

<b>Coverage</b>	<b>Member Deductible</b>	<b>PDRMA Self-Insured Retention</b>	<b>Limits</b>
Service Interruption	24 Hours	N/A	\$25,000,000
Boiler and Machinery			\$100,000,000 Equipment Breakdown
Property Damage	\$1,000	\$9,000	Property Damage - 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
<b>WORKERS COMPENSATION</b>			
Employers Liability	N/A	\$500,000	Statutory
		\$500,000	\$3,500,000 Employers Liability
<b>LIABILITY</b>			
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 Motorists	None	\$500,000	\$1,000,000/Occurrence
<b>POLLUTION LIABILITY</b>			
Liability - Third Party	None	\$25,000	\$5,000,000/Occurrence
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 Year Aggregate
<b>OUTBREAK EXPENSE</b>			
Outbreak Expense	24 Hours	N/A	\$15,000 per Day
			\$1,000,000 Aggregate Policy Limit

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 4 – OTHER INFORMATION - Continued**

**RISK MANAGEMENT - Continued**

**Park District Risk Management Agency (PDRMA) - Continued**

<b>Coverage</b>	<b>Member Deductible</b>	<b>PDRMA Self-Insured Retention</b>	<b>Limits</b>
<b>INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA</b>			
<b>LIABILITY COVERAGE</b>			
Breach Response	1000	\$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 Loan	8 Hours	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Liability	1000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
eCrime	1000	\$100,000	\$50,000/Occurrence/Annual Aggregate
Criminal Reward	\$1,000	\$100,000	\$50,000 Hourly Sublimit/\$50,000 Forensic
			Exp./\$150,000 Dependent Bus. Interruption
<b>DEADLY WEAPON RESPONSE</b>			
Liability	\$1,000	\$9,000	\$500,000/Occurrence/\$2,500,000 Annual Aggregate
First Party Property	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Crisis Management Services	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Counseling/Funeral Expenses	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Medical Expenses	\$1,000	\$9,000	\$25,000/person/\$500,000 Annual Aggregate
AD&D	\$1,000	\$9,000	\$50,000/person/\$500,000 Annual Aggregate
<b>VOLUNTEER MEDICAL ACCIDENT</b>			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense and AD&D
			Excess of any other Collectible Insurance
<b>UNDERGROUND STORAGE TANK LIABILITY</b>			
Underground Storage Tank Liability	None	N/A	\$10,000, Follows Illinois Leaking
			Underground Tank Fund
<b>UNEMPLOYMENT COMPENSATION</b>			
Unemployment Compensation	N/A	N/A	Statutory

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 4 – OTHER INFORMATION - Continued

#### RISK MANAGEMENT - Continued

##### Park District Risk Management Agency (PDRMA) - Continued

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

As a member of PDRMA's Property/Casualty Program, the 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 District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body.

The 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 investigations and settlement, and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

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

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2019 and the statement of revenues and expenses for the period ending December 31, 2019. The District's portion of the overall equity of the pool is 0.242% or \$119,489.

Assets	\$ 70,609,234
Deferred Outflows of Resources - Pensions	2,207,181
Liabilities	23,059,101
Deferred Inflows of Resources - Pension	404,213
Total Net Position	49,353,101
Operating Revenues	19,983,615
Nonoperating Revenues	6,014,647
Expenditures	20,463,511

Since 89.34% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 4 – OTHER INFORMATION - Continued

#### RISK MANAGEMENT - Continued

##### Park District Risk Management Agency (PDRMA) Health Program

On June 1, 1997, the District became a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance 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 a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Members can choose to provide any combination of coverages available to their employees and pay premiums accordingly. As a member of the PDRMA Health Program, the 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 the member agency and PDRMA Health Program is governed by a contract and by-laws that have been adopted by a resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They 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, 2019 and the statement of revenues and expenses for the period ending December 31, 2019.

Assets	\$ 26,084,474
Deferred Outflows of Resources - Pensions	933,533
Liabilities	6,616,310
Deferred Inflows of Resources - Pension	173,234
Total Net Position	20,228,463
Operating Revenues	36,581,515
Nonoperating Revenues	2,343,640
Expenditures	36,884,494



# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2020

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### NOTE 4 – OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

#### Plan Descriptions

*Plan Administration.* All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

IMRF provides two tiers of pension benefits. 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.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 4 – OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF)**

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

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

*Plan Membership.* As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	25
Inactive Plan Members Entitled to but not yet Receiving Benefits	42
Active Plan Members	<u>59</u>
Total	<u><u>126</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. For the year-ended May 31, 2020, the District’s contribution was 8.57% of covered payroll.

*Net Pension Liability.* The District’s net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 4 – OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 4 – OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

*Actuarial Assumptions - Continued.*

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the District calculated using the discount rate as well as what the District’s net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 2,192,675	867,815	(217,769)

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 9,133,776	7,595,079	1,538,697
Changes for the Year:			
Service Cost	287,754	—	287,754
Interest on the Total Pension Liability	659,026	—	659,026
Difference Between Expected and Actual Experience of the Total Pension Liability	154,490	—	154,490
Contributions - Employer	—	242,071	(242,071)
Contributions - Employees	—	132,864	(132,864)
Net Investment Income	—	1,339,998	(1,339,998)
Benefit Payments, Including Refunds of Employee Contributions	(375,269)	(375,269)	—
Other (Net Transfer)	—	57,219	(57,219)
Net Changes	726,001	1,396,883	(670,882)
Balances at December 31, 2019	9,859,777	8,991,962	867,815

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

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

For the year ended May 31, 2020, the District recognized pension expense of \$225,059. At May 31, 2020, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 182,724	(61,216)	121,508
Change in Assumptions	172,462	(134,803)	37,659
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(299,951)	(299,951)
Total Expense to be Recognized in Future Periods	355,186	(495,970)	(140,784)
Contributions made Subsequent to the Measurement Date	112,191	—	112,191
Total Deferred Amounts Related to IMRF	<u>467,377</u>	<u>(495,970)</u>	<u>(28,593)</u>

\$112,191 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended May 31, 2021. 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:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ (65,674)
2022	(66,092)
2023	87,144
2024	(99,542)
2025	3,380
Thereafter	<u>—</u>
Total	<u>(140,784)</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

*Plan Description.* The District's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the District. RBP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* RBP provides healthcare, dental, and vision benefits for retirees and their dependents. The retiree pays the full cost of the coverage.

*Plan Membership.* As of September 30, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	—
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>52</u>
Total	<u><u>52</u></u>

**Total OPEB Liability**

The District's total OPEB liability was measured as of September 30, 2019, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Total OPEB Liability - Continued**

*Actuarial Assumptions and Other Inputs - Continued.*

Inflation	2.50%
Salary Increases	Varies from 3.39% to 10.35% by Age and Years of Service
Discount Rate	2.66%
Healthcare Cost Trend Rates	
Medical	7.00% Graded to 4.50% over 17 Years
Prescription Drug	8.00% Graded to 4.50% over 18 Years
Retirees' Share of Benefit-Related Costs	100% of Projected Health Insurance Premiums for Retirees

The discount rate was based on The General Obligation Municipal Bond Rate as of September 30, 2019.

Mortality rates were based on the Heardcount-Weighted RP-2014 Healthy Annuitant Mortality Tables projected generationally from 2015 using Scale MP-2017.

**Change in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at May 31, 2019	<u>\$ 114,206</u>
Changes for the Year:	
Service Cost	9,290
Interest on the Total OPEB Liability	5,133
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(810)
Changes of Assumptions or Other Inputs	11,639
Benefit Payments	<u>(1,377)</u>
Net Changes	<u>23,875</u>
Balance at May 31, 2020	<u><u>138,081</u></u>



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.66%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB Liability	\$ 149,416	138,081	127,394

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 120,163	138,081	160,071

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2020**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended May 31, 2020, the District recognized OPEB expense of \$23,870. At May 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ —	—	—
Change in Assumptions	10,652	(4,051)	6,601
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(741)	(741)
Total Expense to be Recognized in Future Periods	10,652	(4,792)	5,860
Contributions made Subsequent to the Measurement Date	—	—	—
 Total Deferred Amounts Related to OPEB	 10,652	 (4,792)	 5,860

There are no employer contribution made subsequent to the measurement date. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows of Resources
2021	\$ 491
2022	491
2023	491
2024	491
2025	491
Thereafter	3,405
Total	5,860

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability  
Retiree Benefit Plan
- Budgetary Comparison Schedules  
General Fund  
Recreation - Special Revenue Fund  
Lakeview Fitness - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
May 31, 2020**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions a Percentage of Covered Payroll
2016	\$ 269,275	\$ 269,275	\$ —	\$ 2,607,131	10.33%
2017	278,239	278,239	—	2,752,924	10.11%
2018	275,868	275,868	—	2,849,553	9.68%
2019	257,052	257,052	—	2,973,661	8.64%
2020	253,556	253,556	—	2,959,311	8.57%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Changes in the Employer's Net Pension Liability  
May 31, 2020**

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 256,653
Interest	474,427
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	44,975
Change of Assumptions	251,821
Benefit Payments, Including Refunds of Member Contributions	(246,277)
Net Change in Total Pension Liability	<u>781,599</u>
Total Pension Liability - Beginning	<u>6,320,511</u>
 Total Pension Liability - Ending	 <u><u>7,102,110</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 279,376
Contributions - Members	108,854
Net Investment Income	350,658
Benefit Payments, Including Refunds of Member Contributions	(246,227)
Other (Net Transfer)	2,065
Net Change in Plan Fiduciary Net Position	<u>494,726</u>
Plan Net Position - Beginning	<u>5,677,497</u>
 Plan Net Position - Ending	 <u><u>6,172,223</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 929,887</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  86.91%
 Covered Payroll	 \$ 2,419,193
 Employer's Net Pension Liability as a Percentage of Covered Payroll	  38.44%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2015	2016	2017	2018	2019
246,791	283,775	282,497	278,931	287,754
530,225	566,176	595,717	621,926	659,026
—	—	—	—	—
(40,030)	(170,955)	93,143	19,066	154,490
9,913	(20,431)	(257,979)	267,797	—
(292,792)	(257,814)	(310,642)	(413,648)	(375,269)
454,107	400,751	402,736	774,072	726,001
7,102,110	7,556,217	7,956,968	8,359,704	9,133,776
7,556,217	7,956,968	8,359,704	9,133,776	9,859,777
270,726	274,482	280,971	266,889	242,071
118,509	121,333	126,563	127,360	132,864
31,102	423,257	1,112,789	(355,049)	1,339,998
(292,792)	(257,814)	(310,642)	(413,648)	(375,269)
(237,404)	20,706	(50,158)	165,676	57,219
(109,859)	581,964	1,159,523	(208,772)	1,396,883
6,172,223	6,062,364	6,644,328	7,803,851	7,595,079
6,062,364	6,644,328	7,803,851	7,595,079	8,991,962
1,493,853	1,312,640	555,853	1,538,697	867,815
80.23%	83.50%	93.35%	83.15%	91.20%
2,633,520	2,696,277	2,812,517	2,830,219	2,954,568
56.72%	48.68%	19.76%	54.37%	29.37%

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Retiree Benefit Plan**

**Schedule of Changes in the Employer's Total OPEB Liability**

**May 31, 2020**

	2019	2020
Total OPEB Liability		
Service Cost	\$ 9,793	9,290
Interest	4,206	5,133
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	—	(810)
Change of Assumptions or Other Inputs	(4,905)	11,639
Benefit Payments	(1,287)	(1,377)
Net Change in Total OPEB Liability	7,807	23,875
Total OPEB Liability - Beginning	106,399	114,206
Total OPEB Liability - Ending	<u>\$ 114,206</u>	<u>138,081</u>
Covered Payroll	\$ 2,584,442	2,645,104
Total OPEB Liability as a Percentage of Covered Payroll	4.42%	5.22%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Assumptions. Changes of assumptions related to the discount rate were made in 2019 and 2020.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,321,570	2,321,570	2,321,099
Intergovernmental			
Replacement Taxes	24,000	24,000	25,505
Interest Income	40,000	40,000	26,617
Miscellaneous	41,263	41,263	43,496
Total Revenues	<u>2,426,833</u>	<u>2,426,833</u>	<u>2,416,717</u>
Expenditures			
Current			
General Government	1,021,678	1,021,678	981,873
Recreation	1,219,300	1,219,300	1,211,289
Total Expenditures	<u>2,240,978</u>	<u>2,240,978</u>	<u>2,193,162</u>
Net Change in Fund Balance	<u>185,855</u>	<u>185,855</u>	223,555
Fund Balance - Beginning as Restated			<u>816,292</u>
Fund Balance - Ending			<u><u>1,039,847</u></u>



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,405,709	1,405,709	1,405,709
Charges for Services			
Program Fees	2,422,983	2,422,983	1,736,380
Concessions	1,750	1,750	1,163
Rental	156,960	156,960	145,028
Other	4,250	4,250	4,013
Interest Income	37,000	37,000	31,450
Miscellaneous	70,475	70,475	59,944
Total Revenues	<u>4,099,127</u>	<u>4,099,127</u>	<u>3,383,687</u>
Expenditures			
Recreation	<u>3,897,364</u>	<u>3,897,364</u>	<u>3,540,413</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	201,763	201,763	(156,726)
Other Financing (Uses)			
Transfers Out	<u>(23,958)</u>	<u>(23,958)</u>	<u>(18,318)</u>
Net Change in Fund Balance	<u>177,805</u>	<u>177,805</u>	(175,044)
Fund Balance - Beginning			<u>2,495,670</u>
Fund Balance - Ending			<u>2,320,626</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Lakeview Fitness - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Fitness Center	\$ 1,808,297	1,808,297	1,417,231
Child Care	7,500	7,500	5,947
Aquatics	246,396	246,396	144,819
Concessions	850	850	968
Rental	2,220	2,220	—
Miscellaneous	3,600	3,600	1,000
Total Revenues	<u>2,068,863</u>	<u>2,068,863</u>	<u>1,569,965</u>
Expenditures			
Recreation	<u>2,178,765</u>	<u>2,178,765</u>	<u>1,920,056</u>
Net Change in Fund Balance	<u>(109,902)</u>	<u>(109,902)</u>	(350,091)
Fund Balance - Beginning			<u>(870,262)</u>
Fund Balance - Ending			<u><u>(1,220,353)</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

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### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

#### **Recreation Fund**

The Recreation Fund is used to account for revenue and expenditures restricted, committed or assigned to recreation programs and is funded by a restricted tax levy and user fees.

#### **Lakeview Fitness Fund**

The Lakeview Fitness Fund is used to account for the operations of Lakeview Fitness and Little Learners Childcare.

#### **Special Recreation Fund**

The Special Recreation Fund is used to account for property taxes restricted for funding recreation activities for disabled individuals.

#### **Family Aquatic Center Fund**

The Family Aquatic Center Fund is used to account for the operations of the District's water parks. Financing is provided primarily from fees charged for programs and activities.

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### **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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## INDIVIDUAL FUND DESCRIPTIONS

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### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit.

#### Capital Projects Fund

The Capital Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlays including the acquisition and construction of capital facilities and other capital assets.

#### Kindergarten Building Fund

The Kindergarten Building Fund is used to account for and report financial resources that are restricted for construction and capital outlays related to the Kindergarten Building.

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### ENTERPRISE FUND

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

#### Kindergarten Building Fund

The Kindergarten Building Fund is used to account for and report financial resources that are restricted for capital outlays related to the construction of the Kindergarten Building and was closed into the Kindergarten Building - Capital Projects Fund at May 31, 2020.

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**VERNON HILLS PARK DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual**

**For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
General Government			
Administration			
Business Services			
Legal Fees	\$ 22,500	22,500	20,947
Professional Fees	30,771	30,771	34,126
Contractual Services	286,705	286,705	284,562
Liability Insurance	173,480	173,480	168,541
Bank Fees and Credit Card Charges	92,795	92,795	74,305
Technology	81,184	81,184	64,404
Supplies and Safety Equipment	43,323	43,323	39,024
Total Business Services	730,758	730,758	685,909
Employee Benefits			
IMRF	54,500	54,500	55,916
Social Security	52,064	52,064	53,920
Health and Life Insurance	184,356	184,356	186,128
Total Employee Benefits	290,920	290,920	295,964
Total General Government	1,021,678	1,021,678	981,873
Recreation			
Parks			
Salaries and Wages			
Maintenance Workers - Full-Time	614,262	614,262	645,816
Maintenance Workers - Part-Time	67,392	67,392	74,260
Services			
Clothing and Uniforms	5,680	5,680	5,953
Training and Travel	7,601	7,601	6,802
Supplies and Equipment			
Maintenance Supplies	163,650	163,650	170,524
Office Supplies	1,000	1,000	2,347
Equipment	58,350	58,350	48,434
Utilities	67,403	67,403	61,283
Repairs/Improvements	233,962	233,962	195,870
Total Recreation	1,219,300	1,219,300	1,211,289
Total Expenditures	2,240,978	2,240,978	2,193,162

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund  
Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Recreation			
Administration			
Salaries and Wages	\$ 94,291	94,291	94,177
Services			
Training and Travel	18,795	18,795	15,968
Utilities	56,714	56,714	56,898
Miscellaneous	1,120	1,120	945
Total Administration	170,920	170,920	167,988
Employee Benefits			
IMRF	152,500	152,500	142,346
Social Security	175,110	175,110	156,205
Health and Life Insurance	353,000	353,000	376,680
Other	66,126	66,126	62,832
Total Employee Benefits	746,736	746,736	738,063
Programs			
Salaries and Wages			
Recreation - Full-Time	988,312	988,312	902,256
Recreation - Part-Time	478,368	478,368	481,960
Supervision - Full-Time	256,638	256,638	262,980
Customer Service - Part-Time	73,874	73,874	63,423
Services			
Contractual	142,910	142,910	124,406
Recreation Contractors	337,153	337,153	207,437
Officials	20,436	20,436	12,949
Building Rentals	2,800	2,800	2,637
Training and Travel	1,750	1,750	1,585
Utilities	4,340	4,340	3,843
League/Tourney Fees	111,464	111,464	95,395
Supplies and Equipment			
Recreation Supplies	91,631	91,631	74,540
Clothing	10,942	10,942	6,257
Recreation Equipment	2,340	2,340	1,394
Total Programs	2,522,958	2,522,958	2,241,062

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund**

**Schedule of Expenditures - Budget and Actual - Continued**

**For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Recreation - Continued			
Facilities			
Sullivan Center			
Salaries and Wages			
Maintenance Workers - Full-Time	\$ 125,904	125,904	119,324
Maintenance Workers - Part-Time	34,369	34,369	33,615
Services			
Contractual	17,170	17,170	11,412
Utilities	70,217	70,217	65,636
Supplies and Equipment			
Building Supplies	1,300	1,300	1,185
Custodial Supplies	8,550	8,550	9,957
Repairs and Maintenance			
Equipment	19,000	19,000	12,117
Building and Grounds Improvements	9,500	9,500	22,237
Total Sullivan Center	286,010	286,010	275,483
Laschen Community Center			
Contractual	9,000	9,000	5,970
Hartmann Center			
Contractual	895	895	756
Utilities	3,610	3,610	3,311
Building Supplies	270	270	13
Building and Grounds Improvements	5,000	5,000	2,905
Total Hartmann Center	9,775	9,775	6,985
Century Park Pavilion			
Wages - Part-Time	540	540	475
Services			
Contractual	1,317	1,317	1,774
Utilities	5,256	5,256	4,609
Building Supplies	1,100	1,100	358
Building and Grounds Improvements	3,000	3,000	3,883
Total Century Park Pavilion	11,213	11,213	11,099



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund**

**Schedule of Expenditures - Budget and Actual - Continued**

**For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Recreation - Continued			
Facilities - Continued			
SRACLC Building			
Building and Grounds Improvements	\$ 6,260	6,260	7,179
Total Facilities	322,258	322,258	306,716
Marketing			
Contractual	49,960	49,960	37,607
Supplies and Equipment			
Postage	11,830	11,830	8,435
Promotional	72,702	72,702	40,542
Total Marketing	134,492	134,492	86,584
Total Expenditures	3,897,364	3,897,364	3,540,413

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Lakeview Fitness - Special Revenue Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Recreation			
Fitness Center			
Salaries and Wages			
Maintenance Workers	\$ 310,540	310,540	245,727
Personal Trainers	47,778	47,778	61,423
Fitness Instructors	120,000	120,000	93,158
Employee Benefits			
IMRF	21,000	21,000	17,227
Social Security	59,445	59,445	49,775
Health and Life Insurance	87,600	87,600	62,374
Other	2,318	2,318	922
Services			
Contractual	97,179	97,179	87,419
Professional Services	10,981	10,981	5,163
Special Events	1,230	1,230	100
Training and Travel	450	450	323
Utilities	171,728	171,728	151,088
Supplies and Equipment			
Office Supplies	2,500	2,500	3,590
Office Equipment	250	250	460
Other Supplies/Equipment	38,175	38,175	45,750
Fitness Equipment	6,500	6,500	3,293
Building Supplies	825	825	382
Custodial Supplies	41,750	41,750	34,529
Repairs and Maintenance			
Equipment	15,200	15,200	28,798
Buildings and Grounds Improvement	8,200	8,200	7,826
Total Fitness Center	<u>1,043,649</u>	<u>1,043,649</u>	<u>899,327</u>
Childcare			
Salaries and Wages			
Supervision	97,436	97,436	97,892
Childcare Teachers	503,239	503,239	450,993

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Lakeview Fitness - Special Revenue Fund  
 Schedule of Expenditures - Budget and Actual - Continued  
 For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Recreation - Continued			
Childcare - Continued			
Employee Benefits			
IMRF	\$ 33,000	33,000	38,067
Social Security	35,441	35,441	33,024
Health and Life Insurance	154,200	154,200	147,729
Other	1,752	1,752	182
Services			
Contractual	1,391	1,391	1,457
Training and Travel	340	340	284
Other Services	120	120	—
Supplies and Equipment			
Field Trips	5,375	5,375	3,711
Daycare Supplies	7,940	7,940	6,270
Equipment	3,000	3,000	3,086
Lunch Supplies	29,580	29,580	24,876
Food Supplies	15,180	15,180	15,967
Total Childcare	887,994	887,994	823,538
Aquatics			
Salaries and Wages			
Supervision	16,646	16,646	14,947
Swim Instructors	62,943	62,943	39,126
Lifeguards	113,033	113,033	97,302
Services			
Contractual	6,280	6,280	7,231
Lifeguard Training	850	850	2,368
Swim Meet Expenditures	13,800	13,800	9,086
Supplies and Equipment			
Swim Meet Supplies	1,300	1,300	1,407
Swim Lesson Supplies	500	500	49
Pool Supplies	18,670	18,670	12,541
Clothing	1,850	1,850	854

VERNON HILLS PARK DISTRICT, ILLINOIS

Lakeview Fitness - Special Revenue Fund  
Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended May 31, 2020

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	Budget		Actual
	Original	Final	
Recreation - Continued			
Aquatics - Continued			
Repairs and Maintenance			
Equipment	\$ 250	250	12
Buildings and Ground Improvements	11,000	11,000	12,268
Total Aquatics	<u>247,122</u>	<u>247,122</u>	<u>197,191</u>
Total Expenditures	<u>2,178,765</u>	<u>2,178,765</u>	<u>1,920,056</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Bond - Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,068,829	1,068,829	1,068,829
Interest Income	700	700	4,074
Miscellaneous			
Reimbursement from Village	—	—	84,031
Total Revenues	<u>1,069,529</u>	<u>1,069,529</u>	<u>1,156,934</u>
Expenditures			
Debt Service			
Principal Retirement	1,570,416	1,570,416	1,570,416
Interest	257,361	257,361	257,361
Professional Fees	14,200	14,200	14,008
Total Expenditures	<u>1,841,977</u>	<u>1,841,977</u>	<u>1,841,785</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(772,448)</u>	<u>(772,448)</u>	<u>(684,851)</u>
Other Financing Sources (Uses)			
Debt Issuance	1,050,355	1,050,355	1,059,390
Transfers Out	(355,000)	(355,000)	(373,890)
	<u>695,355</u>	<u>695,355</u>	<u>685,500</u>
Net Change in Fund Balance	<u>(77,093)</u>	<u>(77,093)</u>	649
Fund Balance - Beginning			<u>336,502</u>
Fund Balance - Ending			<u><u>337,151</u></u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 4,000	4,000	16,608
Miscellaneous			
Developer Contributions	307,064	307,064	279,092
Total Revenues	311,064	311,064	295,700
Expenditures			
Capital Outlay	1,149,192	1,149,192	1,033,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	(838,128)	(838,128)	(737,529)
Other Financing Sources			
Transfers In	355,000	355,000	373,890
Net Change in Fund Balance	(483,128)	(483,128)	(363,639)
Fund Balance - Beginning			1,297,793
Fund Balance - Ending			934,154

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds  
Combining Balance Sheet  
May 31, 2020**

	Special Recreation	Family Aquatic Center	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 51,348	—	51,348
Receivables - Net of Allowance			
Property Taxes	494,049	—	494,049
Total Assets	545,397	—	545,397
<b>LIABILITIES</b>			
Accounts Payable	—	7,227	7,227
Accrued Payroll	568	61	629
Other Payables	—	6,431	6,431
Due to Other Funds	—	321,451	321,451
Total Liabilities	568	335,170	335,738
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	516,859	—	516,859
Total Liabilities and Deferred Inflows of Resources	517,427	335,170	852,597
<b>FUND BALANCES</b>			
Restricted	27,970	—	27,970
Unassigned	—	(335,170)	(335,170)
Total Fund Balances	27,970	(335,170)	(307,200)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	545,397	—	545,397

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**For the Fiscal Year Ended May 31, 2020**

	Special Recreation	Family Aquatic Center	Totals
Revenues			
Taxes	\$ 250,000	—	250,000
Charges for Services	—	272,643	272,643
Interest Income	500	—	500
Total Revenues	250,500	272,643	523,143
Expenditures			
Current			
Recreation	273,706	343,340	617,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,206)	(70,697)	(93,903)
Other Financing Sources			
Transfers In	—	18,318	18,318
Net Change in Fund Balances	(23,206)	(52,379)	(75,585)
Fund Balances - Beginning	51,176	(282,791)	(231,615)
Fund Balances - Ending	27,970	(335,170)	(307,200)



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Special Recreation - Special Revenue Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual**

**For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 250,000	250,000	250,000
Interest Income	500	500	500
Total Revenues	<u>250,500</u>	<u>250,500</u>	<u>250,500</u>
Expenditures			
Recreation			
Special Recreation Services	<u>268,670</u>	<u>268,670</u>	<u>273,706</u>
Net Change in Fund Balance	<u>(18,170)</u>	<u>(18,170)</u>	(23,206)
Fund Balance - Beginning			<u>51,176</u>
Fund Balance - Ending			<u><u>27,970</u></u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Family Aquatic Center - Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Aquatic Center Fees	\$ 280,628	280,628	261,593
Rental Income	13,550	13,550	10,900
Miscellaneous	600	600	150
Total Revenues	<u>294,778</u>	<u>294,778</u>	<u>272,643</u>
Expenditures			
Recreation			
Aquatics Center	<u>426,624</u>	<u>426,624</u>	<u>343,340</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,846)	(131,846)	(70,697)
Other Financing Sources			
Transfers In	<u>20,000</u>	<u>20,000</u>	<u>18,318</u>
Change in Net Position	<u>(111,846)</u>	<u>(111,846)</u>	(52,379)
Net Position - Beginning			<u>(282,791)</u>
Net Position - Ending			<u><u>(335,170)</u></u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Family Aquatic Center - Special Revenue Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Fiscal Year Ended May 31, 2020**

	Budget		Actual
	Original	Final	
Recreation			
Aquatic Center			
Salaries and Wages			
Reception	\$ 45,413	45,413	36,611
Lifeguards	169,747	169,747	134,782
Supervision	9,508	9,508	8,305
Contractual Services	15,575	15,575	6,466
Utilities	101,531	101,531	85,648
Supplies and Equipment			
Pool Supplies	8,050	8,050	6,470
Pool Chemicals	26,150	26,150	28,921
Repairs and Maintenance			
Equipment	23,450	23,450	11,678
Building and Grounds Improvements	27,200	27,200	24,459
Total Expenditures	426,624	426,624	343,340

## **SUPPLEMENTAL SCHEDULES**

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation (Alternate Revenue Source) Park Bonds of 2013A**

**May 31, 2020**

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Date of Issue	May 23, 2013
Date of Maturity	December 15, 2022
Authorized Issue	\$4,000,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 3.00%
Interest Dates	December 15
Principal Maturity Date	December 15
Payable to	Amalgamated Bank of Chicago

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2021	\$ 465,000	42,300	507,300
2022	480,000	28,350	508,350
2023	465,000	13,950	478,950
	<u>1,410,000</u>	<u>84,600</u>	<u>1,494,600</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation (Alternate Revenue Source) Park Bonds of 2016A**

**May 31, 2020**

Date of Issue	June 1, 2016
Date of Maturity	December 15, 2032
Authorized Issue	\$6,000,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 3.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable to	Amalgamated Bank of Chicago

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2021	\$ —	174,550	174,550
2022	—	174,550	174,550
2023	35,000	174,550	209,550
2024	510,000	173,850	683,850
2025	530,000	163,650	693,650
2026	550,000	147,750	697,750
2027	570,000	131,250	701,250
2028	590,000	114,154	704,154
2029	610,000	96,450	706,450
2030	635,000	42,982	677,982
2031	645,000	59,100	704,100
2032	650,000	39,750	689,750
2033	675,000	20,250	695,250
	<u>6,000,000</u>	<u>1,512,836</u>	<u>7,512,836</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Limited Tax Park Bonds of 2019**

**May 31, 2020**

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Date of Issue	December 31, 2019
Date of Maturity	December 31, 2020
Authorized Issue	\$1,059,390
Denomination of Bonds	\$5,000
Interest Rate	1.81%
Interest Dates	December 1
Principal Maturity Date	December 1
Payable to	Park Ridge Community Bank

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Principal	Interest	Totals
2021	\$ 1,059,390	18,961	1,078,351

## **STATISTICAL SECTION (Unaudited)**

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the District's most significant local revenue sources.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years**

**May 31, 2020 (Unaudited)**

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**See Following Page**

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years  
May 31, 2020 (Unaudited)**

	2011	2012	2013
<b>Governmental Activities</b>			
Net Investment in Capital Assets	\$ 13,448,632	15,390,796	16,530,249
Restricted	304,011	445,512	476,022
Unrestricted	2,387,937	2,027,376	1,925,030
<b>Total Governmental Activities Net Position</b>	<b>16,140,580</b>	<b>17,863,684</b>	<b>18,931,301</b>
<b>Business-Type Activities</b>			
Net Investment in Capital Assets	—	—	—
Restricted	—	—	—
Unrestricted	—	—	—
<b>Total Business-Type Activities Net Position</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Primary Government</b>			
Net Investment in Capital Assets	13,448,632	15,390,796	16,530,249
Restricted	304,011	445,512	476,022
Unrestricted	2,387,937	2,027,376	1,925,030
<b>Total Primary Government Net Position</b>	<b>16,140,580</b>	<b>17,863,684</b>	<b>18,931,301</b>

Data Source: Audited Financial Statements

\*In 2018, the Kindergarten Building was classified as a capital projects fund, but in 2019 was reported as an enterprise fund.

2014	2015	2016	2017	2018	2019*	2020
17,396,402	18,071,739	21,807,207	22,503,763	23,818,815	24,235,627	36,583,247
394,452	351,716	383,970	356,095	408,730	387,678	256,250
3,078,930	3,372,563	1,014,821	882,308	1,208,381	(484,683)	716,267
20,869,784	21,796,018	23,205,998	23,742,166	25,435,926	24,138,622	37,555,764
—	—	—	—	—	1,779,285	—
—	—	—	—	—	—	—
—	—	—	—	—	(499,249)	—
—	—	—	—	—	1,280,036	—
17,396,402	18,071,739	21,807,207	22,503,763	23,818,815	26,014,912	36,583,247
394,452	351,716	383,970	356,095	408,730	387,678	256,250
3,078,930	3,372,563	1,014,821	882,308	1,208,381	(983,932)	716,267
20,869,784	21,796,018	23,205,998	23,742,166	25,435,926	25,418,658	37,555,764

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years\*  
May 31, 2020 (Unaudited)**

	2011	2012	2103	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ —	—	—	—	—	—	—	—	2,348,818	1,332,130
Recreation	5,753,261	5,620,422	6,866,347	8,085,264	8,376,704	9,631,699	9,644,569	9,847,642	8,252,731	8,647,873
Interest and Fiscal Charges	139,911	115,463	85,430	128,635	118,159	91,546	258,625	257,924	264,494	254,213
<b>Total Governmental Activities Expenses</b>	5,893,172	5,735,885	6,951,777	8,213,899	8,494,863	9,723,245	9,903,194	10,105,566	10,866,043	10,234,216
<b>Business-Type Activities</b>										
Kindergarten Building	—	—	—	—	—	—	—	—	—	—
<b>Total Primary Government Expenses</b>	5,893,172	5,735,885	6,951,777	8,213,899	8,494,863	9,723,245	9,903,194	10,105,566	10,866,043	10,234,216
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services	2,213,211	1,947,080	2,469,473	3,752,563	4,073,236	4,958,474	4,880,872	4,864,241	4,680,777	16,380,602
Operating Grants and Contributions	—	—	—	—	—	1,973,528	507,162	1,131,353	473,605	—
Capital Grants and Contributions	413,711	14,221	31,150	33,541	23,739	—	—	—	—	—
<b>Total Governmental Activities Program Revenues</b>	2,626,922	1,961,301	2,500,623	3,786,104	4,096,975	6,932,002	5,388,034	5,995,594	5,154,382	16,380,602
<b>Business-Type Activities</b>										
Kindergarten Building	—	—	—	—	—	—	—	—	536,128	—
<b>Total Primary Government Program Revenues</b>	2,626,922	1,961,301	2,500,623	3,786,104	4,096,975	6,932,002	5,388,034	5,995,594	5,690,510	16,380,602

	2011	2012	2103	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental Activities	\$ (3,266,250)	(3,774,584)	(4,451,154)	(4,427,795)	(4,397,888)	(2,791,243)	(4,515,160)	(4,109,972)	(5,711,661)	6,146,386
Business-Type Activities	—	—	—	—	—	—	—	—	536,128	—
Total Primary Government Net Revenue (Expense)	(3,266,250)	(3,774,584)	(4,451,154)	(4,427,795)	(4,397,888)	(2,791,243)	(4,515,160)	(4,109,972)	(5,175,533)	6,146,386
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	4,087,125	5,317,834	5,311,167	5,422,697	4,573,441	4,691,273	4,923,723	4,836,267	4,985,302	5,045,637
Intergovernmental	24,587	21,680	22,946	24,048	25,171	23,173	25,741	27,511	23,301	25,505
Investment Income	28,818	9,774	14,374	21,271	12,677	21,430	25,468	51,990	104,351	83,708
Miscellaneous	28,761	148,400	171,284	897,262	712,787	65,904	66,396	887,964	49,170	466,563
Transfers	—	—	—	—	—	—	—	—	—	1,280,036
Total Governmental Activities	4,169,291	5,497,688	5,519,771	6,365,278	5,324,076	4,801,780	5,041,328	5,803,732	5,162,124	6,901,449
Business-Type Activities										
Transfers	—	—	—	—	—	—	—	—	—	(1,280,036)
Total Primary Government	4,169,291	5,497,688	5,519,771	6,365,278	5,324,076	4,801,780	5,041,328	5,803,732	5,162,124	5,621,413
Changes in Net Position										
Governmental Activities	903,041	1,723,104	1,068,617	1,937,483	926,188	2,010,537	526,168	1,693,760	(549,537)	13,047,835
Business-Type Activities	—	—	—	—	—	—	—	—	536,128	(1,280,036)
Total Primary Government Change in Net Position	903,041	1,723,104	1,068,617	1,937,483	926,188	2,010,537	526,168	1,693,760	(13,409)	11,767,799

Data Source: Audited Financial Statements

\* Accrual Basis of Accounting

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**May 31, 2020 (Unaudited)**

	2011	2012	2013
General Fund			
Unreserved	\$ 498,804	—	—
Nonspendable	—	—	—
Unassigned	—	483,373	494,771
Total General Fund	<u>498,804</u>	<u>483,373</u>	<u>494,771</u>
All Other Governmental Funds			
Unreserved, Reported in:			
Special Revenue Fund	793,717	—	—
Capital Project Funds	1,432,340	—	—
Nonspendable in Form	—	—	—
Restricted	—	487,412	499,522
Committed	—	837,915	1,102,709
Assigned	—	833,594	875,688
Unassigned	—	—	(384,652)
Total All Other Governmental Funds	<u>2,589,968</u>	<u>2,158,921</u>	<u>2,093,267</u>
Total Governmental Funds	<u><u>3,088,772</u></u>	<u><u>2,642,294</u></u>	<u><u>2,588,038</u></u>

Data Source: Audited Financial Statements

The District implemented GASB Statement No 54 in Fiscal Year 2012.

\*Modified Accrual Basis of Accounting

2014	2015	2016	2017	2018	2019	2020
—	—	—	—	—	—	—
—	—	3,345	8,984	3,534	2,470	1,042
567,448	867,383	1,064,219	924,990	1,129,073	758,570	1,038,805
567,448	867,383	1,067,564	933,974	1,132,607	761,040	1,039,847
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	6,061	8,714	—
441,605	397,895	383,973	356,095	408,730	387,678	365,121
1,411,406	1,439,814	1,779,946	1,971,169	2,245,656	—	—
1,757,919	1,832,436	657,474	748,671	1,433,858	3,784,749	3,254,780
(495,967)	(588,747)	(560,417)	(633,621)	(838,531)	(1,153,053)	(1,555,523)
3,114,963	3,081,398	2,260,976	2,442,314	3,255,774	3,028,088	2,064,378
3,682,411	3,948,781	3,328,540	3,376,288	4,388,381	3,789,128	3,104,225

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years\***  
**May 31, 2020 (Unaudited)**

	2011	2012	2013
<b>Revenues</b>			
Taxes	\$ 4,111,712	5,339,514	5,334,113
Charges for Services	2,213,211	1,947,080	2,469,473
Grants and Donations	413,711	14,221	31,150
Impact Fees	—	—	—
Contributions	—	—	—
Investment Income	28,818	9,774	14,374
Miscellaneous	28,761	148,400	171,284
<b>Total Revenues</b>	<b>6,796,213</b>	<b>7,458,989</b>	<b>8,020,394</b>
<b>Expenditures</b>			
General Government	1,821,384	2,096,671	2,064,435
Recreation	3,016,518	3,186,785	4,074,710
Capital Outlay	1,554,076	701,736	2,034,399
Debt Service			
Principal	715,000	1,800,000	1,840,000
Interest	127,642	127,642	86,106
<b>Total Expenditures</b>	<b>7,234,620</b>	<b>7,912,834</b>	<b>10,099,650</b>
Excess of Revenues Over (Under) Expenditures	<b>(438,407)</b>	<b>(453,845)</b>	<b>(2,079,256)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	—	—	—
Transfers (out)	—	—	—
Debt Issuance	—	—	2,025,000
Premium on Bonds	—	—	—
	<b>—</b>	<b>—</b>	<b>2,025,000</b>
<b>Net Change in Fund Balances</b>	<b>(438,407)</b>	<b>(453,845)</b>	<b>(54,256)</b>
Debt Service as a Percentage of Noncapital Expenditures	<b>(149.54%)</b>	<b>(43.09%)</b>	<b>46.16%</b>

Data Source: Audited Financial Statements

\*Modified Accrual Basis of Accounting



2014	2015	2016	2017	2018	2019	2020
5,446,745	4,598,612	4,691,273	4,923,723	4,836,267	5,008,603	5,071,142
3,752,563	4,073,236	4,807,978	4,880,872	4,864,241	4,680,777	3,729,192
33,541	23,739	23,173	25,741	807,511	—	54,503
—	—	360,787	185,301	1,047,302	338,209	198,923
—	—	1,612,741	315,553	84,051	135,396	12,651,410
21,271	12,677	21,430	35,468	51,990	104,351	83,708
400,143	138,718	216,400	72,704	101,013	49,170	213,137
9,654,263	8,846,982	11,733,782	10,439,362	11,792,375	10,316,506	22,002,015
2,066,693	1,843,749	2,014,117	1,923,598	2,170,447	775,194	981,873
5,065,796	5,709,003	6,026,506	6,213,961	6,441,636	7,875,430	7,288,804
4,421,762	512,104	3,598,768	7,764,738	1,489,144	1,572,066	13,189,849
1,880,000	1,387,285	1,524,166	1,422,880	1,439,810	1,464,205	1,570,416
102,924	119,134	95,007	182,455	258,450	270,730	271,369
13,537,175	9,571,275	13,258,564	17,507,632	11,799,487	11,957,625	23,302,311
(3,882,912)	(724,293)	(1,524,782)	(7,068,270)	(7,112)	(1,641,119)	(1,300,296)
—	—	488,000	708,880	332,000	873,595	392,208
—	—	(488,000)	(708,880)	(332,000)	(873,595)	(891,457)
4,977,285	990,663	904,528	7,004,810	1,019,205	1,031,385	1,059,390
—	—	—	111,208	—	—	—
4,977,285	990,663	904,528	7,116,018	1,019,205	1,031,385	560,141
1,094,373	266,370	(620,254)	47,748	1,012,093	(609,734)	(740,155)
18.22%	18.90%	14.81%	14.57%	14.39%	15.50%	17.59%

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Tax Levy Years**

**(Amounts in Thousands)**

**May 31, 2020 (Unaudited)**

Tax Levy Year	Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Equalized Assessed Value as a Percentage of Actual Value
2010	\$ 1,245,913,675	0.427	\$ 3,737,741,025	33.33%
2011	1,180,690,605	0.450	3,542,071,815	33.33%
2012	1,096,575,508	0.496	3,289,726,524	33.33%
2013	1,037,740,575	0.445	3,113,221,725	33.33%
2014	1,034,209,066	0.455	3,102,627,198	33.33%
2015	1,079,105,866	0.458	3,237,317,598	33.33%
2016	1,154,068,636	0.419	3,462,205,908	33.33%
2017	1,198,394,088	0.416	3,595,182,264	33.33%
2018	1,227,876,585	0.411	3,683,629,755	33.33%
2019	1,292,111,520	0.420	3,876,334,560	33.33%

Data Source: Office of the County Clerk

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Property Tax Rates (Per \$100 of EAV) Direct and Overlapping Governments - Last Ten Tax Levy Years  
May 31, 2020 (Unaudited)**

Taxing Body	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Direct Rates</b>										
Corporate	0.157	0.169	0.189	0.204	0.208	0.203	0.193	0.192	0.189	0.183
Recreation	0.094	0.101	0.112	0.121	0.124	0.121	0.114	0.111	0.115	0.113
Special Recreation	0.021	0.017	0.019	0.024	0.025	0.040	0.024	0.026	0.020	0.040
Bonds and Interest	0.155	0.163	0.176	0.096	0.098	0.094	0.089	0.087	0.087	0.084
<b>Total District Rates</b>	<b>0.427</b>	<b>0.450</b>	<b>0.496</b>	<b>0.445</b>	<b>0.455</b>	<b>0.458</b>	<b>0.419</b>	<b>0.416</b>	<b>0.411</b>	<b>0.420</b>
<b>Overlapping Governments</b>										
Lake County	0.464	0.554	0.608	0.663	0.683	0.663	0.632	0.622	0.612	0.597
Village of Mundelein	1.179	1.344	N/A	N/A	N/A	1.571	1.563	1.559	1.419	1.443
Lake County Forest Preserve District	0.200	0.201	0.212	0.219	0.210	0.208	0.193	0.187	0.182	0.180
Libertyville Township	0.106	0.111	0.122	0.131	0.134	0.131	0.124	0.122	0.122	0.123
Vernon Township	0.054	0.057	0.060	0.065	0.066	0.064	0.061	0.056	N/A	0.056
Central Lake County JAWA	0.042	0.047	0.052	0.055	0.056	0.054	0.046	0.041	—	—
Countryside Fire Protection District	0.421	0.495	0.552	0.597	0.613	0.599	0.567	0.562	0.564	0.560
Lincolnshire-Riverwoods Fire Protection District	0.552	0.662	N/A	N/A	N/A	0.748	0.747	0.747	0.751	0.747
Cook County Memorial Library District	0.223	0.254	0.282	0.303	0.312	0.304	0.289	0.284	0.284	0.283
Vernon Area Library District	0.226	0.261	N/A	N/A	N/A	0.308	0.293	0.291	0.294	0.291
School District No. 73	2.8990	3.3060	3.6780	3.9970	4.1180	4.0330	3.8710	3.8250	3.8470	3.7402
School District No. 76	3.3620	3.3370	N/A	N/A	N/A	4.8710	4.6800	4.5670	4.5799	4.5670
School District No. 96	2.9160	3.4530	N/A	N/A	N/A	3.8700	3.6900	3.6550	3.7166	3.6955
School District No. 103	2.2010	2.5580	N/A	N/A	N/A	3.0240	2.8770	2.8700	2.8884	0.3848
High School District No. 120	1.7630	2.1650	N/A	N/A	N/A	2.7710	2.6200	2.5520	2.5431	2.5524
High School District No. 125	2.1850	2.4650	N/A	N/A	N/A	3.0040	2.8580	2.8620	2.5021	2.8618
High School District No. 128	2.1790	2.3990	2.5800	2.9190	2.6870	2.7320	2.5320	2.4940	2.5020	2.5125
Community College District No. 532	0.2000	0.2400	0.2720	0.2960	0.3060	0.2990	0.2850	0.2810	0.2820	0.2815
<b>Total Tax Rates (2)</b>	<b>21.5990</b>	<b>24.3590</b>	<b>8.9140</b>	<b>9.6900</b>	<b>9.6403</b>	<b>29.7122</b>	<b>28.3475</b>	<b>27.9937</b>	<b>27.5005</b>	<b>25.2946</b>

Data Source: Lake County Clerk

Note: Representative tax rate is for Libertyville Township Tax Code 11-012, which represents the largest portion of the District's total 2019 assessed valuation.

N/A - Not Available

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
May 31, 2020 (Unaudited)**

Taxpayer	Rank	2020		2011	
		Taxable Assessed Value	Taxable Assessed Valuation	Taxable Assessed Value	Taxable Assessed Valuation
Westfield Shoppingtown Hawthorn	1	\$ 25,975,277	2.01%	1	\$ 20,125,346 1.62%
Mesirow Financial Revf II Reit LLC	2	19,427,299	1.50%		
Azure Partners LLC	3	17,718,340	1.37%		
PB Focus Melody Farm Apts Owner LLC	4	17,573,171	1.36%		
Melody Farm LLC	5	16,473,149	1.27%		
Van Vlissingen and Co.	6	10,037,724	0.78%	2	16,856,018 1.35%
Leahy Vernon Hills Development	7	9,349,221	0.72%	5	10,983,960 0.88%
Inland Real Estate	8	8,442,534	0.65%	3	13,465,102 1.08%
CDW Computer Centers, Inc	9	8,342,560	0.65%	6	9,303,393 0.75%
PWA Continental Executive Park LP	10	7,323,678	0.57%		
Museum Gardens II LLC				4	11,762,797 0.94%
Office Building				7	6,452,805 0.52%
Walmart Property				8	6,278,935 0.50%
Corporate Woods Associates LLC				9	6,277,780 0.50%
HCP HB2 Park at Vernon Hills LLC				10	6,275,162 0.50%
Totals		<u>140,662,953</u>	<u>10.89%</u>		<u>107,781,298 8.64%</u>

Data Source: Office of the County Clerk

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
May 31, 2020 (Unaudited)**

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2010	\$ 5,320,051	\$ 5,317,834	99.96%	\$ N/A	\$ 5,317,834	99.96%
2011	5,313,108	5,311,167	99.96%	N/A	5,311,167	99.96%
2012	5,439,016	5,422,698	99.70%	N/A	5,422,698	99.70%
2013	4,617,946	4,573,440	99.04%	N/A	4,573,440	99.04%
2014	4,705,196	4,691,273	99.70%	N/A	4,691,273	99.70%
2015	4,939,790	108,805	2.20%	4,815,008	4,923,813	99.68%
2016	4,840,637	135,396	2.80%	4,700,872	4,836,268	99.91%
2017	4,987,201	543,166	10.89%	4,442,315	4,985,481	99.97%
2018	5,046,118	511	0.01%	5,045,607	5,046,118	100.00%
2019	5,430,228	238,542	4.39%	—	238,542	4.39%

Data Source: Office of the County Clerk

N/A - Not Available

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
May 31, 2020 (Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Intergovernmental Loan			
2011	\$ 5,520,000	\$ —	\$ 5,520,000	0.58%	\$ 236.4
2012	3,720,000	—	3,720,000	0.39%	147.6
2013	1,880,000	—	1,880,000	0.17%	73.2
2014	4,977,285	990,660	5,967,945	0.55%	233.0
2015	4,580,660	853,812	5,434,472	0.49%	209.7
2016	4,167,880	840,306	5,008,186	0.44%	190.3
2017	9,861,018	840,306	10,701,324	0.92%	406.7
2018	9,433,462	840,306	10,273,768	0.83%	391.3
2019	8,993,691	840,306	9,833,997	0.78%	369.1
2020	8,559,745	756,275	9,316,020	0.74%	349.7

(1) See Schedule of Demographics and Economic Statistics for personal income and population data.

Source: Audited Financial Statements

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
May 31, 2020 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available For Debt Service	Totals	Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2011	\$ 5,520,000	\$ 301,011	\$ 5,218,989	0.42%	\$ 223.5
2012	3,720,000	333,676	3,386,324	0.29%	134.3
2013	1,880,000	353,114	1,526,886	0.14%	59.5
2014	4,977,285	277,736	4,699,549	0.45%	183.5
2015	4,580,660	313,882	4,266,778	0.41%	164.7
2016	4,167,880	33,349	4,134,531	0.38%	157.1
2017	9,861,018	345,555	9,515,463	0.82%	361.6
2018	9,433,462	348,317	9,085,145	0.76%	346.1
2019	8,993,691	336,502	8,657,189	0.71%	325.0
2020	8,559,745	228,780	8,330,965	0.64%	312.7

Data Source: Audited Financial Statements

- (1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.
- (2) See the Schedule of Demographic and Economic Statistics for population data.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
May 31, 2020 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to District (2) (3)	District's Share of Debt
<b>Direct</b>			
Vernon Hills Park District	\$ 9,316,020	100.00%	\$ 9,316,020
<b>Overlapping Debt (1)</b>			
Lake County	157,790,000	4.75%	7,495,025
Lake County Forest Preserve	222,645,000	4.75%	10,575,638
Village of Vernon Hills	35,795,000	100.00%	35,795,000
Unit School District #73	67,102,524	67.63%	45,381,437
Unit School District #76	10,965,000	25.87%	2,836,646
Unit School District #103	5,465,000	20.46%	1,118,139
High School District #120	12,189,781	1.04%	126,774
High School District #125	41,065,000	9.18%	3,769,767
Community College District #532	48,815,000	4.99%	2,435,869
Mundelein Park District	3,210,000	0.001%	32
Countryside Fire Protection District	2,500,000	62.96%	1,574,000
Total Overlapping Bonded Debt	607,542,305		111,108,325
Total Direct and Overlapping Debt	616,858,325		120,424,345

Data Sources:

(1) Lake County Clerk's Office

(2) Lake County Department of Revenue

(3) Determined by ratio of assessed valuation of property subject to taxation in the District to valuation of property subject to taxation in overlapping unit.



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Legal Debt Margin Information - Last Ten Fiscal Years  
May 31, 2020 (Unaudited)**

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**See Following Page**

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Legal Debt Margin Information - Last Ten Fiscal Years**

**May 31, 2020 (Unaudited)**

	2011	2012	2013	2014
Equalized Assessed Valuation	\$ 1,245,913,675	1,180,690,605	1,096,575,508	1,037,740,575
Bonded Debt Limit - 8.625% of Assessed Value	35,820,018	33,944,855	31,526,546	29,835,042
Total Net Debt Applicable to Limit	5,520,000	3,720,000	1,880,000	977,285
Legal Debt Margin	30,300,018	30,224,855	29,646,546	28,857,757
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.22 %	12.31 %	6.34 %	3.39 %
Non-Referendum Legal Debt Limit .575% of Assessed Value	7,164,004	6,788,971	6,305,309	5,967,008
Amount of Debt Applicable to Limit	5,520,000	3,720,000	1,880,000	977,285
Legal Debt Margin	1,644,004	3,068,971	4,425,309	4,989,723
Percentage of Legal Debt Margin to Bonded Debt Limit	77.05 %	54.79 %	29.82 %	16.38 %

Data Source: District Records

2015	2016	2017	2018	2019	2020
1,034,209,066	1,079,105,866	1,154,068,636	1,198,394,088	1,227,876,585	1,292,111,520
29,733,511	31,024,294	33,179,473	34,453,830	35,301,452	37,148,206
990,660	997,880	1,004,810	1,019,205	1,031,385	1,059,390
28,742,851	30,026,414	32,174,663	33,434,625	34,270,067	36,088,816
3.45 %	3.32 %	3.12 %	3.05 %	3.01 %	2.94 %
5,946,702	6,204,859	6,635,895	6,890,766	7,060,290	7,429,641
990,660	997,880	1,004,810	1,019,205	1,031,385	1,059,390
4,956,042	5,206,979	5,631,085	5,871,561	6,028,905	6,370,251
16.66 %	16.08 %	15.14 %	14.79 %	14.61 %	14.26 %

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value	<u>\$ 1,292,111,520</u>
Bonded Debt Limit - 2.875% of Assessed Value	37,148,206
Amount of Debt Applicable to Limit	<u>1,059,390</u>
Legal Debt Margin	<u>36,088,816</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Fiscal Years**

**May 31, 2020 (Unaudited)**

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Fiscal Year	Population	Personal Income (In Thousands of Dollars)	Per Capita Personal Income	Unemployment Rate
2011	23,353	\$ 953,541	\$ 40,832	8.00%
2012	25,211	953,541	37,822	7.10%
2013	25,678	1,083,740	42,205	6.60%
2014	25,613	1,089,679	42,544	5.00%
2015	25,911	1,100,103	42,457	6.00%
2016	26,314	1,127,450	42,846	4.40%
2017	26,314	1,162,671	44,185	4.30%
2018	26,253	1,239,299	47,206	3.30%
2019	26,641	1,257,615	47,206	3.40%
2020	26,641	1,257,615	47,206	3.50%

Data Sources: U.S. Census Bureau and Illinois Department of Employment Security

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
May 31, 2020 (Unaudited)**

Employer	2020		2011	
	Rank	% of Total District Population	Rank	% of Total District Population
Westfield Shoppingtown Hawthorn	1	9.38%	1	10.71%
Zebra Technologies Corp	2	3.38%	2	3.85%
American Hotel Register Co.	3	1.88%	3	1.71%
Mitsubishi Electric Automation, Inc.	4	1.50%	5	1.50%
CDW Computer Centers, Inc.	5	1.31%	4	1.50%
Rust-Oleum Company	6	1.31%	9	0.77%
ZFA Aftermath	7	1.13%		
Cole-Palmer Instrument Co.	8	1.13%	6	1.28%
Becton Dickinson	9	1.13%		
Richard Wold Medical Instruments Corp.	10	0.75%	8	0.86%
Z.F. Industries, Inc.			7	1.03%
Experient, Inc.			10	0.69%
		<u>22.90%</u>		<u>23.89%</u>

Data Source: 2020 Illinois Manufacturers Directory, 2020 Illinois Services Directory and a selective telephone survey.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Full-Time Equivalent District Employees by Function - Last Ten Fiscal Years  
May 31, 2020 (Unaudited)**

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Function/Program	2011	2012	2013	2014
Full-Time Employees	27	27	42	44

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Data Source: District Records

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2015	2016	2017	2018	2019	2020
46	50	50	50	50	46

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**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
May 31, 2020 (Unaudited)**

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Fiscal Year	2011	2012	2013
Parks and Facilities			
Parks			
Number	23	23	23
Acres	444	444	453
Baseball/Softball Fields	19	19	19
Basketball Courts	7	7	7
Walking Trails	12	12	12
Boat Launches	2	2	2
Community Centers	2	2	2
Fitness Centers	0	0	1
Lakes/Ponds	7	7	7
Neighborhood Center	2	2	1
Outdoor Skating Rinks	2	4	1
Picnic Shelters	32	32	32
Playgrounds	25	24	24
Skate Parks	1	1	1
Sled Hills	1	1	1
Soccer Fields	5	5	5
Swimming Pools	1	1	2
Tennis Courts	12	12	12
Volleyball Courts	8	6	6

Data Source: District Records



2014	2015	2016	2017	2018	2019	2020
23	23	23	23	23	23	23
453	453	453	453	453	453	453
19	19	19	19	19	19	23
7	7	7	7	7	7	6
12	12	12	12	12	12	10
2	2	2	2	2	2	2
2	2	2	2	2	2	2
1	1	1	1	1	1	1
7	7	7	7	7	7	9
1	1	1	1	1	1	1
1	1	4	4	4	4	4
32	32	32	32	32	32	33
24	24	24	24	24	24	24
1	1	1	1	1	1	1
1	1	1	1	1	1	1
5	5	5	5	5	5	9
2	2	2	2	2	2	2
12	12	12	12	12	12	10
6	6	6	6	6	6	6

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
May 31, 2020 (Unaudited)**

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Function	2011	2012	2013
Recreation			
Carrying Amount of Capital Assets	18,958,342	19,104,622	20,433,191

Source: District Records

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2014	2015	2016	2017	2018	2019	2020
23,901,568	23,606,211	26,157,919	32,456,415	32,658,725	33,229,379	45,142,992