

VERNON HILLS PARK DISTRICT, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
MAY 31, 2021

VERNON HILLS PARK DISTRICT, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED MAY 31, 2021

Prepared by:
Business Office

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, 2021

BOARD OF PARK COMMISSIONERS

David Doerhoefer, President

Cindy Kessler, Vice President

Carol Sente, Commissioner

Bruce Robbins, Commissioner

Mike Meline, Commissioner

ADMINISTRATIVE

Jeff Fougrousse, Executive Director

Marla DeCicco, Superintendent of Finance and Human Resources

Tom Ritter, Superintendent of Recreation/ADA Compliance Officer

James Kim, Superintendent of Parks

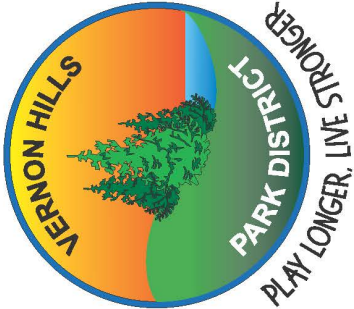
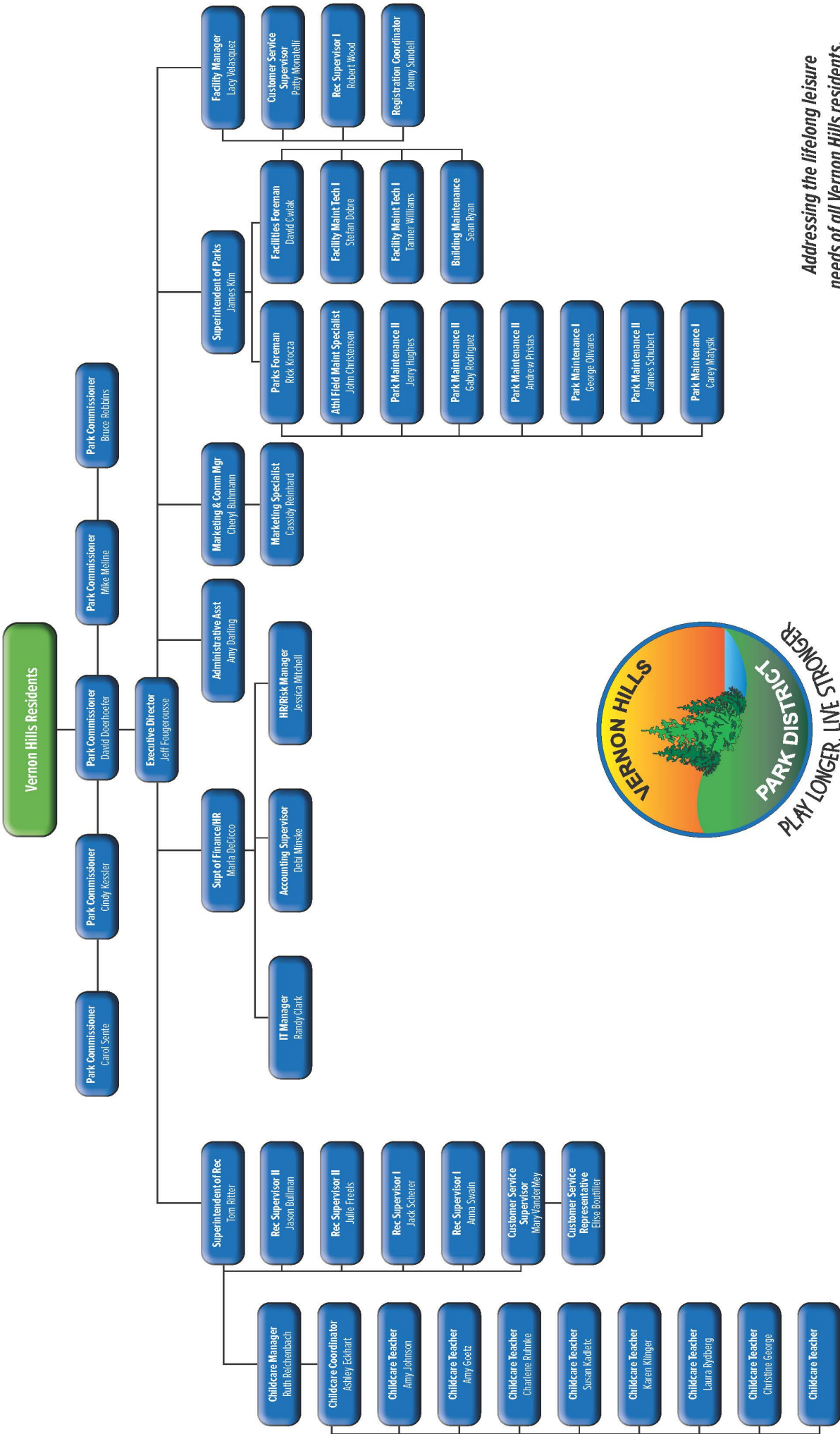
Cheryl Buhmann, Marketing and Communications Manager

Jessica Mitchell, Human Resources/Risk Manager

Lacy Velasquez, Facility Manager

Vernon Hills Park District Organizational Chart

Updated July 2021



Addressing the lifelong leisure needs of all Vernon Hills residents.



September 21, 2021

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, 2021, 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 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 26,343 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

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, Cole-Parmer Instrument Co., Rust-Oleum Company, Zebra Technologies, 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, Westfield Hawthorn Mall, the Arborthheater 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 2021 year included parking lot improvements at the Sullivan Community and Family Aquatic Centers, installation of a playground at Sugar Creek Park, resurfacing of an Aquatic Center water slide, and the installation of poured-in-place playground surfaces at the Sullivan Community Center and Hawthorn Club Park. New vehicles and equipment purchased for the park maintenance staff included a tractor and production mower.

For the Future. For fiscal 2022, the District plans to renovate Lakeview Fitness which will include a 3,300 square foot addition to increase the cardio, weight room and indoor pool space as well as add a new exercise room. Additional District renovations will include the Laschen Tennis courts, the Boat Docks Shelter in Century Park, and the Peterson Park shelter roof. A new playground will be installed in Century Park and 100 trees will be removed and replanted throughout the District's parks. The District will also continue to support their environmental initiatives and provide wellness initiatives for staff and residents.

Debt Administration. As of May 31, 2021, the District had outstanding debt of \$8,709,534. \$8,037,290 in General Obligation Bonds principal and \$672,244 owed to the Village of Vernon Hills for the purchase of the YMCA. On January 1, 2013, the 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, 2021, the District's aggregate outstanding debt of \$8,709,534 was well below the \$35,506,112 legal debt margin as 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, 2020. This was the 26th 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.

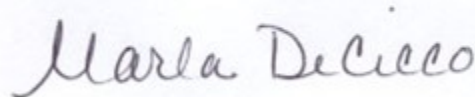
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments – 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 Fougrousse, 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, 2020

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 21, 2021

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Hills Park District, Illinois, as of and for the year ended May 31, 2021, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Hills Park District Illinois, as of May 31, 2021, and the respective changes in financial position 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, 2021

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, 2021. Please read it in conjunction with the transmittal letter, located in the introductory section of this report, and the District's financial statements, which are located in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The District obtained an unmodified opinion from the independent audit firm Lauterbach & Amen.
- The District's net position totaled \$42,221,862 as a result of this year's operations, net position of the governmental activities increased by \$4,666,098, or 12.4 percent.
- During the year, government-wide revenues for the primary government totaled \$13,254,363, while expenses totaled \$8,588,265, resulting in 12.4% to net position of \$42,221,862.
- The District's net position totaled \$42,221,862 on May 31, 2021, which includes \$41,240,643 net investment in capital assets, \$262,083 subject to external restrictions, and \$719,136 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 \$256,563, or 24.7 percent, resulting in ending fund balance of \$1,296,410.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities 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 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.

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 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).

VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2021

USING THIS ANNUAL REPORT - Continued

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 are governmental funds.

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 Fund, which are considered a major fund. Data from the other two governmental funds, the Special Recreation Fund and the Family Aquatic Fund, 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.

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.

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. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information on pensions.

VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2021

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 \$42,221,862.

	Net Position	
	Governmental	
	Activities	
	2021	2020
Current and Other Assets	\$ 11,065,848	13,310,393
Capital Assets	49,361,338	45,142,992
Total Assets	60,427,186	58,453,385
Deferred Outflows of Resources	373,485	478,029
Total Assets and Deferred Outflows	60,800,671	58,931,414
Long-Term Debt	7,772,503	8,896,890
Other Liabilities	4,291,617	6,548,732
Total Liabilities	12,064,120	15,445,622
Deferred Inflows of Resources	6,514,689	5,930,028
Total Liabilities and Deferred Inflows	18,578,809	21,375,650
Net Position		
Net Investment in Capital Assets	41,240,643	36,583,247
Restricted	262,083	256,250
Unrestricted	719,136	716,267
Total Net Position	42,221,862	37,555,764

A large portion of the District's net position, \$41,240,643 or 97.7 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, \$262,083 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 1.7 percent, or \$719,136, 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, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	Governmental	
	Activities	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 6,975,742	16,380,602
Operating Grants/Contributions	383,228	—
General Revenues		
Property Taxes	5,408,419	5,045,637
Personal Property Replacement Tax	32,352	25,505
Investment Income	58,060	83,708
Miscellaneous	396,562	466,563
Total Revenues	13,254,363	22,002,015
Expenses		
General Government	1,337,752	1,332,130
Parks and Recreation	7,020,835	8,647,873
Interest on Long-Term Debt	229,678	254,213
Total Expenses	8,588,265	10,234,216
Change in Net Position before Transfers	4,666,098	11,767,799
Transfers-Internal Balances	—	1,280,036 *
Increase in Net Position	4,666,098	13,047,835
Net Position - Beginning	37,555,764	24,507,929
Net Position - Ending	42,221,862	37,555,764

Net position of the District's governmental activities increased by 12.4 percent (\$42,221,862 in 2021 compared to a restated \$37,555,764 in 2020).

*This one-sided transfer related to the closing of the business-type activities into the governmental activities at the end of the prior year.

VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2021

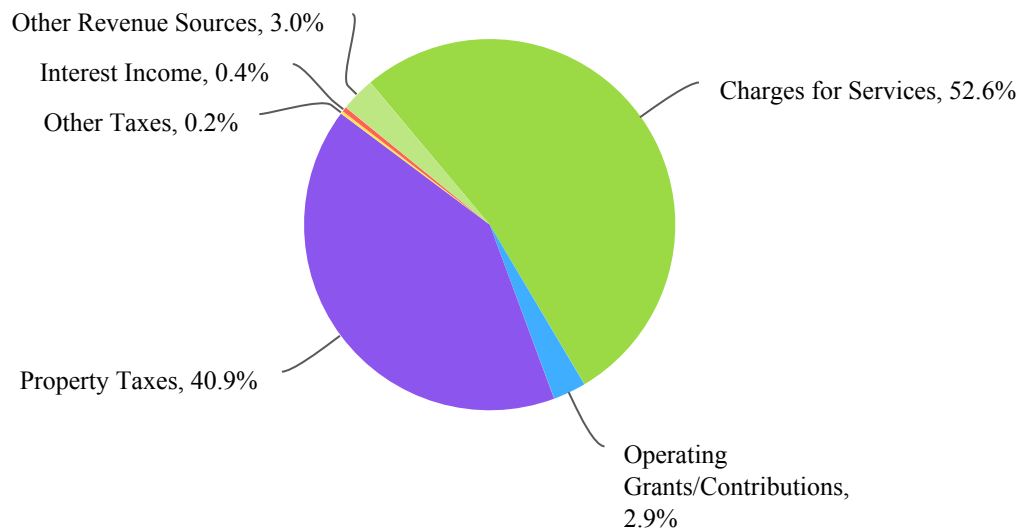
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities

Revenues for governmental activities totaled \$13,254,363, while the cost of all governmental functions totaled \$8,588,265. This results in a surplus of \$4,666,098. In 2020, revenues of \$22,002,015 exceeded expenditures of \$10,234,216, resulting in a surplus of \$11,767,799 prior to transfers in of \$1,280,036. The surplus in 2021 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, 2021

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 \$3,031,537, which is a decrease of \$72,688, or 2.3 percent, from last year's total of \$3,104,225.

The General Fund reported an increase in fund balance for the year of \$256,563, or 24.7 percent. This was due in large part to expenditures for all functions in the General Fund being under budget. Budgeted expenditures totaled \$2,222,947 while actual expenditures totaled \$2,157,391. 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, 2021, unassigned fund balance in the General Fund was \$1,293,004, which represents 99.7 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 59.9 percent of total General Fund expenditures.

The Recreation Fund reported a decrease in fund balance for the year of \$100,973, or 4.4 percent. This was due in large part to actual charges for services of \$858,421 being lower than budget of \$2,143,197 due to the COVID-19 pandemic. This decrease in revenues was primarily offset by expenditures being under budget. Budgeted expenditures totaled \$3,783,909 while actual expenditures totaled \$2,710,156. 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 \$140,903, or 11.5 percent. This was due in large part to actual charges for services of \$919,364 being lower than budget of \$1,816,541 due to the COVID-19 pandemic. This decrease in revenues was primarily offset by expenditures being under budget. Budgeted expenditures totaled \$2,077,276 while actual expenditures totaled \$1,232,213. These variances are further outlined on the Lakeview Fitness Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Bond Fund reported a decrease in fund balance for the year of \$69,260, or 20.5 percent. The fund balance of \$267,891 in the debt service fund is restricted for future debt service payments. The decrease in fund balance is due to a transfers out of \$500,000 to the Capital Fund.

The Capital Fund reported an increase in fund balance for the year of \$16,041, or 1.7 percent. This was due in large part to planned capital outlay of \$823,707 being offset by \$339,748 in revenues and a transfer in of \$500,000 from the Bond Fund. This variance is further outlined on the Capital 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 \$5,163,393 were offset by capital outlay of \$5,163,393. This variances is further outlined on the Kindergarten Building Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2021

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 \$2,413,954, compared to budgeted revenues of \$2,409,987. The variance is due to a reduction in fees collected from groups that use District fields such as the Vernon Hills Stingers and the Vernon Hills Sports Club.

The General Fund actual expenditures for the year were \$65,556 lower than budgeted (\$2,157,391 actual compared to \$2,222,947 budgeted). The general government and parks functions' actual expenditures were lower than budgeted expenditures by \$57,002 and \$8,554, respectively.

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, 2021 was \$49,361,338 (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	
	2021	2020
Land	\$ 10,715,011	10,715,011
Construction in Progress	—	13,855,905
Buildings and Improvements	34,426,485	16,366,718
Machinery and Equipment	4,125,566	4,069,170
Vehicles	94,276	136,188
Totals	49,361,338	45,142,992

This year's major capital asset additions included:

Construction in Progress	\$ 4,799,915
Buildings and Improvements	286,970
Machinery and Equipment	470,559
Total	5,557,444

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, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the District had total outstanding debt of \$8,709,534 as compared to \$9,225,665 the previous year, a decrease of 5.6 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	Governmental Activities	
	2021	2020
General Obligation Bonds	\$ 8,037,290	8,469,390
Intergovernmental Loan	672,244	756,275
Totals	8,709,534	9,225,665

The District maintains an Aa2 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 \$36,598,402.

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 Board of Commissioners and Business office staff considered many factors when setting the Fiscal 2021-2022 budget including tax rates, program fees, the increasing minimum wage and the continuing COVID-19 pandemic. An additional factor considered for 2022 was unemployment. According to the Bureau of Labor Statistics, the unemployment rate for May 2021 for Vernon Hills was 3.9% percent and the state and national unemployment rates were 7.0 and 5.8 percent, respectively.

The District's Supplemental Fiscal budget for 2021-2022 totals \$11,678,595 an increase of .03 percent from the final Fiscal 2020-2021 budget of \$11,647,057. New projects in the FY22 budget include funds to expand Lakeview Fitness, renovate the Laschen Tennis Courts and add two pickle ball courts. Equipment purchases include fitness equipment for Lakeview Fitness Center and vehicles and equipment for the parks department. Park improvements include renovating the Boat Docks Shelter and Peterson Park Shelter roof and the removing and replanting 100 trees throughout the District's parks.

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

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, 2021

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS

Statement of Net Position

May 31, 2021

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	\$ 3,934,188
Receivables - Net of Allowances	7,085,074
Prepays	3,406
Total Current Assets	<u>11,022,668</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	10,715,011
Depreciable	57,261,175
Accumulated Depreciation	<u>(18,614,848)</u>
Total Capital Assets	<u>49,361,338</u>
Other Assets	
Net Pension Asset	<u>43,180</u>
Total Noncurrent Assets	<u>49,404,518</u>
Total Assets	<u>60,427,186</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	363,621
Deferred Items - RBP	<u>9,864</u>
Total Deferred Outflows of Resources	<u>373,485</u>
Total Assets and Deferred Outflows of Resources	<u>60,800,671</u>

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

	Governmental Activities
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 284,462
Accrued Payroll	84,485
Deposits Payable	8,980
Accrued Interest Payable	98,427
Other Payables	2,091,737
Current Portion of Long-Term Debt	1,723,526
Total Current Liabilities	<u>4,291,617</u>
Noncurrent Liabilities	
Compensated Absences Payable	241,014
Total OPEB Liability - RBP	401,822
General Obligation Bonds Payable - Net	6,541,454
Intergovernmental Loan	588,213
Total Noncurrent Liabilities	<u>7,772,503</u>
Total Liabilities	<u>12,064,120</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	5,521,467
Deferred Items - IMRF	993,222
Total Deferred Inflows of Resources	<u>6,514,689</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,578,809</u>
NET POSITION	
Net Investment in Capital Assets	41,240,643
Restricted	
Special Recreation	92,619
Debt Service	169,464
Unrestricted	<u>719,136</u>
Total Net Position	<u><u>42,221,862</u></u>

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

For the Fiscal Year Ended May 31, 202124

VERNON HILLS PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

May 31, 2021

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS**Balance Sheet - Governmental Funds****May 31, 2021**

	Special Revenue		
	General	Recreation	Lakeview Fitness
ASSETS			
Cash and Investments	\$ 413,593	2,090,256	—
Receivables - Net of Allowances			
Property Taxes	2,242,994	1,532,462	—
Accounts	—	33,756	—
Due from Other Funds	1,167,595	572,585	—
Prepays	3,406	—	—
Total Assets	3,827,588	4,229,059	—
LIABILITIES			
Accounts Payable	149,815	30,319	36,179
Accrued Payroll	25,389	50,475	6,844
Deposits Payable	—	8,980	—
Other Payables	24,256	326,551	—
Due to Other Funds	—	—	1,318,233
Total Liabilities	199,460	416,325	1,361,256
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	2,331,718	1,593,081	—
Total Liabilities and Deferred Inflows of Resources	2,531,178	2,009,406	1,361,256
FUND BALANCES			
Nonspendable	3,406	—	—
Restricted	—	—	—
Assigned	—	2,219,653	—
Unassigned	1,293,004	—	(1,361,256)
Total Fund Balances	1,296,410	2,219,653	(1,361,256)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	3,827,588	4,229,059	—

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

Debt Service Bond	Capital Projects		Nonmajor	Totals
	Capital	Kindergarten Building		
310,528	1,007,844	—	111,967	3,934,188
1,071,798	—	—	463,884	5,311,138
—	—	—	—	33,756
—	—	—	—	1,740,180
—	—	—	—	3,406
1,382,326	1,007,844	—	575,851	11,022,668
—	57,649	—	10,500	284,462
—	—	—	1,777	84,485
—	—	—	—	8,980
—	—	—	750	351,557
—	—	—	421,947	1,740,180
—	57,649	—	434,974	2,469,664
1,114,435	—	—	482,233	5,521,467
1,114,435	57,649	—	917,207	7,991,131
—	—	—	—	3,406
267,891	—	—	92,619	360,510
—	950,195	—	—	3,169,848
—	—	—	(433,975)	(502,227)
267,891	950,195	—	(341,356)	3,031,537
1,382,326	1,007,844	—	575,851	11,022,668

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, 2021

Total Governmental Fund Balances	\$ 3,031,537
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.	49,361,338
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(629,601)
Deferred Items - RBP	9,864
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(301,268)
Net Pension Liability - IMRF	43,180
Total OPEB Liability - RBP	(401,822)
General Obligation Bonds - Net	(8,120,695)
Intergovernmental Loan	(672,244)
Accrued Interest Payable	<u>(98,427)</u>
Net Position of Governmental Activities	<u>42,221,862</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, 2021**

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, 2021**

		Special Revenue	
	General	Recreation	Lakeview Fitness
Revenues			
Taxes	\$ 2,349,134	1,459,742	—
Intergovernmental	32,352	211,282	171,946
Charges for Services	—	858,421	919,364
Investment Income	12,896	31,254	—
Miscellaneous	19,572	48,484	—
Total Revenues	2,413,954	2,609,183	1,091,310
Expenditures			
Current			
General Government	898,561	—	—
Parks and Recreation	1,150,405	2,710,156	1,232,213
Capital Outlay	—	—	—
Debt Service			
Principal Retirement	—	—	—
Interest and Fiscal Charges	108,425	—	—
Total Expenditures	2,157,391	2,710,156	1,232,213
Excess (Deficiency) of Revenues Over (Under) Expenditures	256,563	(100,973)	(140,903)
Other Financing Sources (Uses)			
Debt Issuance	—	—	—
Transfers In	—	—	—
Transfers Out	—	—	—
Net Change in Fund Balances	256,563	(100,973)	(140,903)
Fund Balances - Beginning	1,039,847	2,320,626	(1,220,353)
Fund Balances - Ending	1,296,410	2,219,653	(1,361,256)

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

Debt Service	Capital Projects			Totals
	Bond	Capital	Kindergarten Building	
1,084,773	—	—	514,770	5,408,419
—	—	5,161,470	—	5,577,050
—	—	—	36,487	1,814,272
745	11,242	1,923	—	58,060
—	328,506	—	—	396,562
1,085,518	339,748	5,163,393	551,257	13,254,363
—	—	—	—	898,561
—	—	—	585,413	5,678,187
—	823,707	5,163,393	—	5,987,100
1,608,421	—	—	—	1,608,421
138,647	—	—	—	247,072
1,747,068	823,707	5,163,393	585,413	14,419,341
(661,550)	(483,959)	—	(34,156)	(1,164,978)
1,092,290	—	—	—	1,092,290
—	500,000	—	—	500,000
(500,000)	—	—	—	(500,000)
592,290	500,000	—	—	1,092,290
(69,260)	16,041	—	(34,156)	(72,688)
337,151	934,154	—	(307,200)	3,104,225
267,891	950,195	—	(341,356)	3,031,537

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, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ (72,688)
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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	5,557,444
Depreciation Expense	(1,339,098)
Disposals - Cost	(1,184,228)
Disposals - Accumulated Depreciation	1,184,228

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

Change in Deferred Items - IMRF	(601,008)
Change in Deferred Items - RBP	4,004

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	(63,335)
Change in Net Pension Liability/(Asset) - IMRF	910,995
Change in Total OPEB Liability - RBP	(263,741)
Retirement of Debt	1,608,421
Issuance of Debt	(1,092,290)
Unamortized Debt Premium	6,950

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.

10,444

Changes in Net Position of Governmental Activities

4,666,098

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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.

In the government-wide Statement of Net Position, the governmental activities 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.

The government-wide Statement of Activities reports both the gross and net cost of the District's functions (general government, recreation, 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, investment income and charges for services, etc.).

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

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:

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds - Continued

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.

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 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.

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, governmental 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.

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental 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.

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

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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.

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, 2021

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.

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

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, 2021

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, 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 FUNDS

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

Fund	Excess
Capital	\$ 225,467
Family Aquatic Center	7,521

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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	\$ 1,361,256
Family Aquatic Center	433,975

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 \$3,934,188 and the bank balances totaled \$4,163,007.

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.

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS - Continued

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

Custodial Credit Risk - Continued. 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:

- Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities. The term "agencies of the United States of America" includes: (i) the federal land banks, federal intermediate credit banks, Fannie Mae, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress.
- Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing times deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.
- Money market mutual funds registered under the Investment Company Act of 1940.

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 2020 attach as an enforceable lien on January 1, 2020, 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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

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	\$ 572,585
General	Lakeview Fitness	745,648
General	Nonmajor	<u>421,947</u>
		<u><u>1,740,180</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.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Capital	Bond	<u><u>\$ 500,000</u></u>

Transfer was used to move capital bond proceeds in the Bond Fund to the Capital Fund.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 10,715,011	—	—	10,715,011
Construction in Progress	13,855,905	4,799,915	18,655,820	—
	<u>24,570,916</u>	<u>4,799,915</u>	<u>18,655,820</u>	<u>10,715,011</u>
Depreciable Capital Assets				
Buildings and Improvements	31,141,045	18,942,790	950,728	49,133,107
Machinery and Equipment	7,228,992	470,559	233,500	7,466,051
Vehicles	662,017	—	—	662,017
	<u>39,032,054</u>	<u>19,413,349</u>	<u>1,184,228</u>	<u>57,261,175</u>
Less Accumulated Depreciation				
Buildings and Improvements	14,774,327	883,023	950,728	14,706,622
Machinery and Equipment	3,159,822	414,163	233,500	3,340,485
Vehicles	525,829	41,912	—	567,741
	<u>18,459,978</u>	<u>1,339,098</u>	<u>1,184,228</u>	<u>18,614,848</u>
Total Net Depreciable Capital Assets	<u>20,572,076</u>	<u>18,074,251</u>	<u>—</u>	<u>38,646,327</u>
Total Net Capital Assets	<u>45,142,992</u>	<u>22,874,166</u>	<u>18,655,820</u>	<u>49,361,338</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 94,828
Recreation	<u>1,244,270</u>
	<u>1,339,098</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

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.	\$ 1,410,000	—	465,000	945,000
\$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
\$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	—
\$1,092,290 General Obligation Limited Tax Park Bonds of 2020 due in one installment of \$1,092,290 plus interest at 1.00% on December 1, 2021.	—	1,092,290	—	1,092,290
	8,469,390	1,092,290	1,524,390	8,037,290

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 237,933	126,670	63,335	301,268	60,254
Net Pension Liability/(Asset) - IMRF	867,815	—	910,995	(43,180)	—
Total OPEB Liability - RBP	138,081	263,741	—	401,822	—
General Obligation Bonds	8,469,390	1,092,290	1,524,390	8,037,290	1,572,290
Unamortized Bond Premium	90,355	—	6,950	83,405	6,951
Intergovernmental Loan	756,275	—	84,031	672,244	84,031
	10,559,849	1,482,701	2,589,701	9,452,849	1,723,526

Payments on the net pension liability/(asset), and the total OPEB liability are liquidated by the General Fund. Payments on the compensated absences are made by the General Fund and the Recreation Fund. The Bond Fund makes payments on the general obligation bonds and the intergovernmental loan.

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, 2021 the total intergovernmental loan payable is \$672,244. The annual debt service requirements to maturity are as follows:

Fiscal Year	Payment
2022	\$ 84,031
2023	84,031
2024	84,031
2025	84,031
2026	84,031
2027	84,031
2028	84,031
2029	84,027
	<u>672,244</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

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
2022	\$ 1,572,290	213,762
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	8,037,290	1,391,448

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, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin - Continued

Assessed Valuation - 2020	<u>\$ 1,272,987,913</u>
Legal Debt Limit - 2.875% of Assessed Value	36,598,402
Amount of Debt Applicable to Limit	
General Obligation Park Bonds of 2020	<u>1,092,290</u>
Legal Debt Margin	<u>35,506,112</u>
Non-Referendum Legal Debt Limit	
0.575% of Equalized Assessed Value	7,319,680
Amount of Debt Applicable to Limit	
General Obligation Park Bonds of 2020	<u>1,092,290</u>
Non-Referendum Legal Debt Margin	<u>6,227,390</u>

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of May 31, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 49,361,338
Less Capital Related Debt:	
General Obligation Park Bonds of 2013A	(945,000)
General Obligation Park Bonds of 2016A	(6,000,000)
General Obligation Limited Tax Park Bonds of 2020	(1,092,290)
Unamortized Bond Premium	<u>(83,405)</u>
Net Investment in Capital Assets	<u>41,240,643</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements May 31, 2021

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:

		Special Revenue				Capital Projects			
	General	Recreation	Lakeview Fitness	Debt Service Bond	Capital	Kindergarten Building	Nonmajor	Totals	
Fund Balances									
Nonspendable									
Prepays	\$ 3,406	—	—	—	—	—	—	3,406	
Restricted									
Special Recreation	—	—	—	—	—	—	92,619	92,619	
Debt Service	—	—	—	267,891	—	—	—	267,891	
	—	—	—	267,891	—	—	92,619	360,510	
Assigned									
Recreation	—	2,219,653	—	—	—	—	—	2,219,653	
Capital Projects	—	—	—	—	950,195	—	—	950,195	
	—	2,219,653	—	—	950,195	—	—	3,169,848	
Unassigned	1,293,004	—	(1,361,256)	—	—	—	(433,975)	(502,227)	
Total Fund Balances	1,296,410	2,219,653	(1,361,256)	267,891	950,195	—	(341,356)	3,031,537	

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, 2021

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.

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.

Special Recreation Association of Central Lake County (SRACLC)

The District is a member of the Special Recreation Association of Central Lake County (SRACLC), a cooperative formed by Member Agencies to provide community based Therapeutic Recreation services to individuals with disabilities and their families and to share the expenses of such programs on a cooperative basis. Contribution requirements are determined based on a percentage of the individual member's equalized assessed valuation and population as defined. The District contributed \$152,092 to SRACLC during the fiscal year ended May 31, 2021.

The District does not exercise direct oversight of SRACLC, and accordingly, SRACLC has not been included in these basic financial statements. The audited financial statements of SRACLC are available at 290 Oakwood Road, Vernon Hills, IL 60061.

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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:

Coverage	Member Deductible	PDRMA Self- Insured Retention	Limits
PROPERTY			
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	\$100,000,000/Occurrence/Annual Aggregate
Flood, Zones A & V	\$1,000	\$1,000,000	\$50,000,000/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
Tax Revenue Interruption	\$1,000	\$1,000,000	\$3,000,000/Reported Values
Business Interruption, Rental Income	\$1,000		\$1,000,000/Non-Reported Values
			\$100,000,000/Reported Values
			\$500,000/\$2,500,000/Non-Reported Values
Off Premises 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
WORKERS COMPENSATION			
Employers Liability	N/A	\$500,000	Statutory
		\$500,000	\$3,500,000 Employers Liability

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

Coverage	Member Deductible	PDRMA Self- Insured Retention	Limits
LIABILITY			
General	None	\$500,000	\$21,500,000/Occurrence
Auto Liability	None	\$500,000	\$21,500,000/Occurrence
Employment Practices	None	\$500,000	\$21,500,000/Occurrence
Public Officials' Liability	None	\$500,000	\$21,500,000/Occurrence
Law Enforcement Liability	None	\$500,000	\$21,500,000/Occurrence
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/Occurrence
Communicable Disease	\$1,000/\$5,000	\$5,000,000	\$250,000/Claim/Aggregate;
			\$5,000,000 Aggregate All Members
POLLUTION LIABILITY			
Liability - Third Party	None	\$25,000	\$5,000,000/Occurrence
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 Year Aggregate
OUTBREAK EXPENSE			
OUTBREAK EXPENSE			\$1,000,000 Aggregate Policy Limit
Outbreak Suspension	24 Hours	N/A	\$5,000/\$25,000/Day All Locations
			\$150,000/\$500,000 Aggregate
Workplace Violence Suspension	24 Hours	N/A	\$15,000/Day All Locations 5 Day Maximum
Fungus Suspension	24 Hours	N/A	\$15,000/Day All Locations 5 Day Maximum
INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA			
LIABILITY COVERAGE			
Breach Response	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Business Interruption	8 Hours	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Business Interruption due to			
System Failure	8 Hours	\$100,000	\$250,000/Occurrence/Annual Aggregate
Dependent Business Loss	8 Hours	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Liability	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
eCrime	\$1,000	\$100,000	\$50,000/Occurrence/Annual Aggregate
Criminal Reward	\$1,000	\$100,000	\$50,000/Occurrence/Annual Aggregate

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

Coverage	Member Deductible	PDRMA Self- Insured Retention	Limits
DEADLY WEAPON RESPONSE			
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
VOLUNTEER MEDICAL ACCIDENT			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense Excess of any other
			Collectible Insurance
UNDERGROUND STORAGE TANK LIABILITY			
Underground Storage Tank Liability	None	N/A	\$10,000, Follows Illinois Leaking
			Underground Tank Fund
UNEMPLOYMENT COMPENSATION			
Unemployment Compensation	N/A	N/A	Statutory

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2020 and the statement of revenues and expenses for the period ending December 31, 2020. The District's portion of the overall equity of the pool is 0.313% or \$177,639.

Assets	\$ 76,433,761
Deferred Outflows of Resources - Pension	1,015,561
Liabilities	19,892,387
Deferred Inflows of Resources - Pension	798,816
Total Net Position	56,758,119
Operating Revenues	19,454,155
Nonoperating Revenues	4,109,196
Expenditures	16,158,333

Since 89.98% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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, 2020 and the statement of revenues and expenses for the period ending December 31, 2020.

Assets	\$ 29,550,609
Deferred Outflows of Resources - Pension	435,241
Liabilities	5,326,323
Deferred Inflows of Resources - Pension	342,350
Total Net Position	24,317,177
Operating Revenues	34,484,852
Nonoperating Revenues	1,999,072
Expenditures	32,395,210

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

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. 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.

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Membership. As of December 31, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	26
Inactive Plan Members Entitled to but not yet Receiving Benefits	55
Active Plan Members	<u>49</u>
Total	<u><u>130</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% 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, 2021, the District's contribution was 9.31% of covered payroll.

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

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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)	\$ 1,225,631	(43,180)	(1,028,570)

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2019	\$ 9,859,777	8,991,962	867,815
Changes for the Year:			
Service Cost	294,490	—	294,490
Interest on the Total Pension Liability	711,814	—	711,814
Difference Between Expected and Actual Experience of the Total Pension Liability	(138,054)	—	(138,054)
Changes of Assumptions	(87,869)	—	(87,869)
Contributions - Employer	—	247,726	(247,726)
Contributions - Employees	—	121,375	(121,375)
Net Investment Income	—	1,253,175	(1,253,175)
Benefit Payments, Including Refunds of Employee Contributions	(377,790)	(377,790)	—
Other (Net Transfer)	—	69,100	(69,100)
Net Changes	402,591	1,313,586	(910,995)
Balances at December 31, 2020	10,262,368	10,305,548	(43,180)

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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, 2021, the District recognized pension revenue of \$66,896. At May 31, 2021, 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	\$ 133,436	(138,198)	(4,762)
Change in Assumptions	122,630	(159,179)	(36,549)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(695,845)	(695,845)
Total Expense to be Recognized in Future Periods	256,066	(993,222)	(737,156)
Contributions made Subsequent to the Measurement Date	107,555	—	107,555
Total Deferred Amounts Related to IMRF	363,621	(993,222)	(629,601)

\$107,555 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, 2022. 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 (Inflows) of Resources
2022	\$ (229,037)
2023	(75,801)
2024	(262,487)
2025	(159,563)
2026	(10,268)
Thereafter	—
Total	(737,156)

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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, 2020, 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	45
Total	<u>45</u>

Total OPEB Liability

The District's total OPEB liability was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	Varies from 3.39% to 10.35% by Age and Years of Service
Discount Rate	2.21%
Healthcare Cost Trend Rates	
PPO 2000	7.70% Graded to 5.00% until the ultimate trend rate is reached in 2031.
HMO	6.60% Graded to 5.00% until the ultimate trend rate is reached in 2031.
Retirees' Share of Benefit	
Related Costs	100% of Projected Health Insurance Premiums for Retirees

The discount rate was based on the Bond Buyer 20-Bond Go Index.

Mortality rates were based on the RP-2014 with Blue Collar Adjustment and MP-2016 Improvement.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at May 31, 2020	<u>\$ 138,081</u>
Changes for the Year:	
Service Cost	9,776
Interest on the Total OPEB Liability	3,657
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	433,113
Changes of Assumptions or Other Inputs	(181,391)
Benefit Payments	<u>(1,414)</u>
Net Changes	<u>263,741</u>
Balance at May 31, 2021	<u>401,822</u>

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

The discount rate used to measure the total pension liability was 2.21%, while the prior valuation used 2.66%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 457,371	401,822	356,909

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	\$ 355,488	401,822	458,077

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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, 2021, the District recognized OPEB expense of \$261,151. At May 31, 2021, 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	—	—	—
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Expense to be Recognized in Future Periods	—	—	—
Contributions made Subsequent to the Measurement Date	9,864	—	9,864
Total Deferred Amounts Related to OPEB	9,864	—	9,864

\$9,864 of 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
2022	\$ —
2023	—
2024	—
2025	—
2026	—
Thereafter	—
Total	—

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/(Asset)
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, 2021**

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%
2021	243,091	243,091	—	2,610,950	9.31%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Market Value
Inflation	2.25%
Salary Increases	2.85% - 13.75%
Investment Rate of Return	7.25%
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/(Asset)****May 31, 2021**

	<u>12/31/2014</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	<u>(246,277)</u>
Net Change in Total Pension Liability	781,599
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)	<u>2,065</u>
Net Change in Plan Fiduciary Net Position	494,726
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/(Asset)	<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/(Asset) 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.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
246,791	283,775	282,497	278,931	287,754	294,490
530,225	566,176	595,717	621,926	659,026	711,814
—	—	—	—	—	—
(40,030)	(170,955)	93,143	19,066	154,490	(138,054)
9,913	(20,431)	(257,979)	267,797	—	(87,869)
(292,792)	(257,814)	(310,642)	(413,648)	(375,269)	(377,790)
454,107	400,751	402,736	774,072	726,001	402,591
7,102,110	7,556,217	7,956,968	8,359,704	9,133,776	9,859,777
7,556,217	7,956,968	8,359,704	9,133,776	9,859,777	10,262,368
270,726	274,482	280,971	266,889	242,071	247,726
118,509	121,333	126,563	127,360	132,864	121,375
31,102	423,257	1,112,789	(355,049)	1,339,998	1,253,175
(292,792)	(257,814)	(310,642)	(413,648)	(375,269)	(377,790)
(237,404)	20,706	(50,158)	165,676	57,219	69,100
(109,859)	581,964	1,159,523	(208,772)	1,396,883	1,313,586
6,172,223	6,062,364	6,644,328	7,803,851	7,595,079	8,991,962
6,062,364	6,644,328	7,803,851	7,595,079	8,991,962	10,305,548
1,493,853	1,312,640	555,853	1,538,697	867,815	(43,180)
80.23%	83.50%	93.35%	83.15%	91.20%	100.42%
2,633,520	2,696,277	2,812,517	2,830,219	2,954,568	2,610,950
56.72%	48.68%	19.76%	54.37%	29.37%	(1.65%)

VERNON HILLS PARK DISTRICT, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

May 31, 2021

	2019	2020	2021
Total OPEB Liability			
Service Cost	\$ 9,793	9,290	9,776
Interest	4,206	5,133	3,657
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	—	(810)	433,113
Change of Assumptions or Other Inputs	(4,905)	11,639	(181,391)
Benefit Payments	(1,287)	(1,377)	(1,414)
Net Change in Total OPEB Liability	7,807	23,875	263,741
Total OPEB Liability - Beginning	106,399	114,206	138,081
Total OPEB Liability - Ending	\$ 114,206	138,081	401,822
Covered-Employee Payroll	\$ 2,584,442	2,645,104	2,711,232
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.42%	5.22%	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 to 2021.

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, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,358,607	2,358,607	2,349,134
Intergovernmental			
Replacement Taxes	24,000	24,000	32,352
Investment Income	9,500	9,500	12,896
Miscellaneous	17,880	17,880	19,572
Total Revenues	2,409,987	2,409,987	2,413,954
Expenditures			
Current			
General Government			
Business Services	649,217	649,217	617,493
Employee Benefits	306,346	306,346	281,068
Parks	1,158,959	1,158,959	1,150,405
Debt Service			
Interest and Fiscal Charges	108,425	108,425	108,425
Total Expenditures	2,222,947	2,222,947	2,157,391
Net Change in Fund Balance	187,040	187,040	256,563
Fund Balance - Beginning			1,039,847
Fund Balance - Ending			1,296,410

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, 2021

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,465,629	1,465,629	1,459,742
Intergovernmental			
Grants	—	—	211,282
Charges for Services			
Program Fees	1,990,569	1,990,569	766,840
Rental	152,628	152,628	91,581
Investment Income	25,250	25,250	31,254
Miscellaneous	61,668	61,668	48,484
Total Revenues	3,695,744	3,695,744	2,609,183
Expenditures			
Recreation	3,783,909	3,783,909	2,710,156
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(88,165)	(88,165)	(100,973)
Other Financing (Uses)			
Transfers Out	(11,578)	(11,578)	—
Net Change in Fund Balance	(99,743)	(99,743)	(100,973)
Fund Balance - Beginning			2,320,626
Fund Balance - Ending			2,219,653

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, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ —	—	171,946
Charges for Services			
Fitness	1,653,389	1,653,389	816,640
Childcare	4,500	4,500	(6)
Aquatics	154,752	154,752	100,869
Miscellaneous	3,900	3,900	1,861
Total Revenues	1,816,541	1,816,541	1,091,310
Expenditures			
Recreation	2,077,276	2,077,276	1,232,213
Net Change in Fund Balance	(260,735)	(260,735)	(140,903)
Fund Balance - Beginning			(1,220,353)
Fund Balance - Ending			(1,361,256)

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
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

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

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.

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.

INDIVIDUAL FUND DESCRIPTIONS

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 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.

VERNON HILLS PARK DISTRICT, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual****For the Fiscal Year Ended May 31, 2021**

	Budget		Actual
	Original	Final	
General Government			
Business Services			
Legal Fees	\$ 20,250	20,250	11,439
Professional Fees	18,041	18,041	30,124
Contractual Services	277,945	277,945	279,008
Liability Insurance	170,722	170,722	158,890
Bank Fees and Credit Card Charges	58,880	58,880	41,591
Technology	62,294	62,294	74,456
Supplies and Safety Equipment	41,085	41,085	21,985
Total Business Services	649,217	649,217	617,493
Employee Benefits			
IMRF	56,495	56,495	55,314
Social Security	50,601	50,601	47,973
Health and Life Insurance	199,250	199,250	177,781
Total Employee Benefits	306,346	306,346	281,068
Total General Government	955,563	955,563	898,561
Parks			
Salaries and Wages			
Maintenance Workers - Full-Time	634,940	634,940	588,469
Maintenance Workers - Part-Time	71,768	71,768	48,804
Services			
Clothing and Uniforms	5,780	5,780	4,490
Training and Travel	7,133	7,133	1,769
Supplies and Equipment			
Maintenance Supplies	162,525	162,525	205,372
Office Supplies	1,200	1,200	2,156
Equipment	59,600	59,600	54,111
Utilities	57,013	57,013	62,380
Repairs/Improvements	159,000	159,000	182,854
Total Parks	1,158,959	1,158,959	1,150,405
Debt Service			
Interest and Fiscal Charges	108,425	108,425	108,425
Total Expenditures	2,222,947	2,222,947	2,157,391

VERNON HILLS PARK DISTRICT, ILLINOIS

Recreation - Special Revenue Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended May 31, 2021

	Budget		Actual
	Original	Final	
Recreation			
Administration			
Salaries and Wages	\$ 102,750	102,750	88,156
Services			
Training and Travel	20,225	20,225	2,278
Utilities	61,993	61,993	59,296
Miscellaneous	1,120	1,120	—
Total Administration	186,088	186,088	149,730
Employee Benefits			
IMRF	149,677	149,677	137,870
Social Security	165,156	165,156	118,986
Health and Life Insurance	389,250	389,250	382,033
Other	49,959	49,959	17,374
Total Employee Benefits	754,042	754,042	656,263
Programs			
Salaries and Wages			
Recreation - Full-Time	904,823	904,823	873,571
Recreation - Part-Time	600,051	600,051	255,179
Supervision - Full-Time	268,178	268,178	264,800
Customer Service - Part-Time	85,905	85,905	47,094
Services			
Contractual	129,374	129,374	7,288
Recreation Contractors	205,617	205,617	133,642
Officials	17,736	17,736	3,025
Building Rentals	2,800	2,800	—
Training and Travel	2,370	2,370	—
Utilities	3,250	3,250	1,040
League/Tourney Fees	75,483	75,483	(69)
Supplies and Equipment			
Recreation Supplies	83,785	83,785	13,394
Clothing	8,295	8,295	1,620
Recreation Equipment	1,930	1,930	5,733
Total Programs	2,389,597	2,389,597	1,606,317

VERNON HILLS PARK DISTRICT, ILLINOIS

Recreation - Special Revenue Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended May 31, 2021

	Budget		Actual
	Original	Final	
Recreation - Continued			
Facilities			
Sullivan Center			
Salaries and Wages			
Maintenance Workers - Full-Time	\$ 128,923	128,923	80,268
Maintenance Workers - Part-Time	34,613	34,613	13,859
Services			
Contractual	27,436	27,436	25,914
Utilities	69,065	69,065	78,678
Supplies and Equipment			
Building Supplies	1,200	1,200	1,352
Custodial Supplies	18,500	18,500	2,960
Repairs and Maintenance			
Equipment	18,450	18,450	23,509
Building and Grounds Improvements	1,500	1,500	8,852
Total Sullivan Center	299,687	299,687	235,392
Hartmann Pavilion			
Contractual	2,030	2,030	938
Utilities	4,110	4,110	3,367
Building Supplies	260	260	210
Building and Grounds Improvements	3,050	3,050	3,885
Total Hartmann Pavilion	9,450	9,450	8,400
Century Park Pavilion			
Wages - Part-Time	540	540	—
Services			
Contractual	2,070	2,070	1,110
Utilities	5,052	5,052	4,547
Building Supplies	1,135	1,135	350
Building and Grounds Improvements	3,350	3,350	5,727
Total Century Park Pavilion	12,147	12,147	11,734

VERNON HILLS PARK DISTRICT, ILLINOIS**Recreation - Special Revenue Fund****Schedule of Expenditures - Budget and Actual - Continued****For the Fiscal Year Ended May 31, 2021**

	Budget		Actual
	Original	Final	
Recreation - Continued			
Facilities - Continued			
SRACLC Building			
Building and Grounds Improvements	\$ 7,075	7,075	1,602
Total Facilities	328,359	328,359	257,128
Marketing			
Contractual	47,243	47,243	17,051
Supplies and Equipment			
Postage	13,850	13,850	8,140
Promotional	64,730	64,730	15,527
Total Marketing	125,823	125,823	40,718
Total Expenditures	3,783,909	3,783,909	2,710,156

VERNON HILLS PARK DISTRICT, ILLINOIS

Lakeview Fitness - Special Revenue Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended May 31, 2021

	Budget		Actual
	Original	Final	
Recreation			
Fitness			
Salaries and Wages			
Maintenance Workers	\$ 246,401	246,401	157,820
Personal Trainers	55,000	55,000	30,116
Fitness Instructors	108,800	108,800	62,662
Employee Benefits			
IMRF	17,193	17,193	14,151
Social Security	54,549	54,549	28,040
Health and Life Insurance	61,250	61,250	42,557
Other	2,615	2,615	674
Services			
Contractual	109,435	109,435	23,942
Professional Services	8,312	8,312	1,281
Special Events	770	770	—
Training and Travel	1,250	1,250	—
Utilities	159,496	159,496	114,095
Supplies and Equipment			
Office Supplies	4,000	4,000	666
Office Equipment	500	500	919
Other Supplies/Equipment	38,770	38,770	23,706
Fitness Equipment	6,900	6,900	505
Building Supplies	1,875	1,875	766
Custodial Supplies	41,750	41,750	12,898
Repairs and Maintenance			
Equipment	27,800	27,800	17,871
Buildings and Grounds Improvement	4,200	4,200	509
Total Fitness	950,866	950,866	533,178
Childcare			
Salaries and Wages			
Supervision	100,998	100,998	90,891
Childcare Teachers	513,370	513,370	303,746

VERNON HILLS PARK DISTRICT, ILLINOIS

Lakeview Fitness - Special Revenue Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended May 31, 2021

	Budget		Actual
	Original	Final	
Recreation - Continued			
Childcare - Continued			
Employee Benefits			
IMRF	\$ 41,833	41,833	32,657
Social Security	35,038	35,038	27,295
Health and Life Insurance	144,000	144,000	123,201
Other	1,252	1,252	364
Services			
Contractual	1,645	1,645	1,498
Training and Travel	1,040	1,040	60
Other Services	120	120	—
Supplies and Equipment			
Field Trips	5,375	5,375	—
Childcare Supplies	8,310	8,310	4,625
Equipment	4,300	4,300	—
Lunch Supplies	32,980	32,980	17,779
Food Supplies	17,825	17,825	8,374
Total Childcare	908,086	908,086	610,490
Aquatics			
Salaries and Wages			
Supervision	15,774	15,774	13,141
Swim Instructors	51,036	51,036	24,151
Lifeguards	96,512	96,512	25,371
Services			
Contractual	7,897	7,897	5,518
Lifeguard Training	4,050	4,050	721
Swim Meet Expenditures	12,555	12,555	3,750
Supplies and Equipment			
Swim Meet Supplies	1,400	1,400	—
Swim Lesson Supplies	400	400	15
Pool Supplies	17,200	17,200	7,517
Clothing	900	900	285

VERNON HILLS PARK DISTRICT, ILLINOIS

Lakeview Fitness - Special Revenue Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended May 31, 2021

	Budget		Actual
	Original	Final	
Recreation - Continued			
Aquatics - Continued			
Repairs and Maintenance			
Equipment	\$ 300	300	351
Buildings and Ground Improvements	10,300	10,300	7,725
Total Aquatics	218,324	218,324	88,545
Total Expenditures	2,077,276	2,077,276	1,232,213

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, 2021

	Budget		
	Original	Final	Actual
Revenues			
Taxes			
Property Taxes	\$ 1,089,147	1,089,147	1,084,773
Investment Income	4,500	4,500	745
Total Revenues	1,093,647	1,093,647	1,085,518
Expenditures			
Debt Service			
Principal Retirement	1,608,412	1,608,412	1,608,421
Interest and Fiscal Charges	127,396	127,396	127,396
Professional Fees	14,100	14,100	11,251
Total Expenditures	1,749,908	1,749,908	1,747,068
Excess (Deficiency) of Revenues Over (Under) Expenditures	(656,261)	(656,261)	(661,550)
Other Financing Sources (Uses)			
Debt Issuance	1,076,390	1,076,390	1,092,290
Transfers Out	(420,000)	(420,000)	(500,000)
	656,390	656,390	592,290
Net Change in Fund Balance	129	129	(69,260)
Fund Balance - Beginning			337,151
Fund Balance - Ending			267,891

VERNON HILLS PARK DISTRICT, ILLINOIS**Capital Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended May 31, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 11,000	11,000	11,242
Miscellaneous			
Developer Contributions	489,127	489,127	328,506
Total Revenues	500,127	500,127	339,748
Expenditures			
Capital Outlay	598,240	598,240	823,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,113)	(98,113)	(483,959)
Other Financing Sources			
Transfers In	420,000	420,000	500,000
Net Change in Fund Balance	321,887	321,887	16,041
Fund Balance - Beginning			934,154
Fund Balance - Ending			950,195

VERNON HILLS PARK DISTRICT, ILLINOIS**Nonmajor Governmental - Special Revenue Funds
Combining Balance Sheet
May 31, 2021**

	Special Recreation	Family Aquatic Center	Totals
ASSETS			
Cash and Investments	\$ 111,967	—	111,967
Receivables - Net of Allowance			
Property Taxes	463,884	—	463,884
Total Assets	575,851	—	575,851
LIABILITIES			
Accounts Payable	—	10,500	10,500
Accrued Payroll	999	778	1,777
Other Payables	—	750	750
Due to Other Funds	—	421,947	421,947
Total Liabilities	999	433,975	434,974
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	482,233	—	482,233
Total Liabilities and Deferred Inflows of Resources	483,232	433,975	917,207
FUND BALANCES			
Restricted	92,619	—	92,619
Unassigned	—	(433,975)	(433,975)
Total Fund Balances	92,619	(433,975)	(341,356)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	575,851	—	575,851

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, 2021**

	Special Recreation	Family Aquatic Center	Totals
Revenues			
Taxes	\$ 514,770	—	514,770
Charges for Services	—	36,487	36,487
Total Revenues	514,770	36,487	551,257
Expenditures			
Current			
Recreation	450,121	135,292	585,413
Net Change in Fund Balances	64,649	(98,805)	(34,156)
Fund Balances - Beginning	27,970	(335,170)	(307,200)
Fund Balances - Ending	92,619	(433,975)	(341,356)

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, 2021

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 516,845	516,845	514,770
Investment Income	250	250	—
Total Revenues	517,095	517,095	514,770
Expenditures			
Recreation			
Special Recreation Services	455,583	455,583	450,121
Net Change in Fund Balance	61,512	61,512	64,649
Fund Balance - Beginning			27,970
Fund Balance - Ending			92,619

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, 2021

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Aquatic Center Fees	\$ 48,800	48,800	35,747
Rental Income	—	—	740
Total Revenues	48,800	48,800	36,487
Expenditures			
Recreation			
Aquatics Center	127,771	127,771	135,292
Change in Net Position	(78,971)	(78,971)	(98,805)
Net Position - Beginning			(335,170)
Net Position - Ending			(433,975)

VERNON HILLS PARK DISTRICT, ILLINOIS

**Family Aquatic Center - Special Revenue Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended May 31, 2021**

	Budget		Actual
	Original	Final	
Recreation			
Aquatic Center			
Salaries and Wages			
Customer Service	\$ 3,280	3,280	2,803
Lifeguards	35,912	35,912	36,126
Supervision	8,919	8,919	7,697
Contractual Services	8,260	8,260	7,423
Utilities	25,950	25,950	44,327
Supplies and Equipment			
Pool Supplies	3,500	3,500	2,796
Pool Chemicals	15,000	15,000	12,255
Repairs and Maintenance			
Equipment	8,450	8,450	3,510
Building and Grounds Improvements	18,500	18,500	18,355
Total Expenditures	127,771	127,771	135,292

SUPPLEMENTAL SCHEDULES

VERNON HILLS PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

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

May 31, 2021

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 Date	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
2022	\$ 480,000	28,350	508,350
2023	465,000	13,950	478,950
	945,000	42,300	987,300

VERNON HILLS PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

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

May 31, 2021

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
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>1,338,286</u>	<u>7,338,286</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Park Bonds of 2020

May 31, 2021

Date of Issue	December 31, 2020
Date of Maturity	December 31, 2021
Authorized Issue	\$1,092,290
Denomination of Bonds	\$100,000
Interest Rate	1.00%
Interest Date	December 1
Principal Maturity Date	December 1
Payable to	Fifth Third

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2022	\$ 1,092,290	10,862	1,103,152

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, 2021 (Unaudited)

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS**Net Position by Component - Last Ten Fiscal Years
May 31, 2021 (Unaudited)**

	2012	2013	2014
Governmental Activities			
Net Investment in Capital Assets	\$ 15,390,796	16,530,249	17,396,402
Restricted	445,512	476,022	394,452
Unrestricted	2,027,376	1,925,030	3,078,930
Total Governmental Activities Net Position	17,863,684	18,931,301	20,869,784
Business-Type Activities			
Net Investment in Capital Assets	—	—	—
Unrestricted	—	—	—
Total Business-Type Activities Net Position	—	—	—
Primary Government			
Net Investment in Capital Assets	15,390,796	16,530,249	17,396,402
Restricted	445,512	476,022	394,452
Unrestricted	2,027,376	1,925,030	3,078,930
Total Primary Government Net Position	17,863,684	18,931,301	20,869,784

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.

2015	2016	2017	2018	2019*	2020	2021
18,071,739	21,807,207	22,503,763	23,818,815	24,235,627	36,583,247	41,240,643
351,716	383,970	356,095	408,730	387,678	256,250	262,083
3,372,563	1,014,821	882,308	1,208,381	(484,683)	716,267	719,136
21,796,018	23,205,998	23,742,166	25,435,926	24,138,622	37,555,764	42,221,862
—	—	—	—	1,779,285	—	—
—	—	—	—	(499,249)	—	—
—	—	—	—	1,280,036	—	—
18,071,739	21,807,207	22,503,763	23,818,815	26,014,912	36,583,247	41,240,643
351,716	383,970	356,095	408,730	387,678	256,250	262,083
3,372,563	1,014,821	882,308	1,208,381	(983,932)	716,267	719,136
21,796,018	23,205,998	23,742,166	25,435,926	25,418,658	37,555,764	42,221,862

VERNON HILLS PARK DISTRICT, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* May 31, 2021 (Unaudited)

	2012	2103	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General Government	\$ —	—	—	—	—	—	—	2,348,818	1,332,130	1,337,752
Recreation	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	7,020,835
Interest and Fiscal Charges	115,463	85,430	128,635	118,159	91,546	258,625	257,924	264,494	254,213	229,678
Total Governmental Activities Expenses	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	8,588,265
Business-Type Activities										
Kindergarten Building	—	—	—	—	—	—	—	—	—	—
Total Primary Government Expenses	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	8,588,265
Program Revenues										
Governmental Activities										
Charges for Services	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	6,975,742
Operating Grants and Contributions	—	—	—	—	1,973,528	507,162	1,131,353	473,605	—	383,228
Capital Grants and Contributions	14,221	31,150	33,541	23,739	—	—	—	—	—	—
Total Governmental Activities Program Revenues	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	7,358,970
Business-Type Activities										
Kindergarten Building	—	—	—	—	—	—	—	536,128	—	—
Total Primary Government Program Revenues	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	7,358,970

	2012	2103	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense) Revenue										
Governmental Activities	\$ (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	(1,229,295)
Business-Type Activities	—	—	—	—	—	—	—	536,128	—	—
Total Primary Government Net Revenue (Expense)	(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	(1,229,295)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	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	5,408,419
Intergovernmental	21,680	22,946	24,048	25,171	23,173	25,741	27,511	23,301	25,505	32,352
Investment Income	9,774	14,374	21,271	12,677	21,430	25,468	51,990	104,351	83,708	58,060
Miscellaneous	148,400	171,284	897,262	712,787	65,904	66,396	887,964	49,170	466,563	396,562
Transfers	—	—	—	—	—	—	—	—	1,280,036	—
Total Governmental Activities	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	5,895,393
Business-Type Activities										
Transfers	—	—	—	—	—	—	—	—	(1,280,036)	—
Total Primary Government	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	5,895,393
Changes in Net Position										
Governmental Activities	1,723,104	1,068,617	1,937,483	926,188	2,010,537	526,168	1,693,760	(549,537)	13,047,835	4,666,098
Business-Type Activities	—	—	—	—	—	—	—	536,128	(1,280,036)	—
Total Primary Government Change in Net Position	1,723,104	1,068,617	1,937,483	926,188	2,010,537	526,168	1,693,760	(13,409)	11,767,799	4,666,098

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, 2021 (Unaudited)**

	2012	2013	2014
General Fund			
Nonspendable	\$ —	—	—
Unassigned	483,373	494,771	567,448
Total General Fund	483,373	494,771	567,448
All Other Governmental Funds			
Unreserved, Reported in:			
Nonspendable	—	—	—
Restricted	487,412	499,522	441,605
Committed		1,102,709	1,411,406
Assigned	833,594	875,688	1,757,919
Unassigned	—	(384,652)	(495,967)
Total All Other Governmental Funds	1,321,006	2,093,267	3,114,963
Total Governmental Funds	1,804,379	2,588,038	3,682,411

Data Source: Audited Financial Statements

*Modified Accrual Basis of Accounting

2015	2016	2017	2018	2019	2020	2021
—	3,345	8,984	3,534	2,470	1,042	3,406
867,383	1,064,219	924,990	1,129,073	758,570	1,038,805	1,293,004
867,383	1,067,564	933,974	1,132,607	761,040	1,039,847	1,296,410
—	—	—	6,061	8,714	—	—
397,895	383,973	356,095	408,730	387,678	365,121	360,510
1,439,814	1,779,946	1,971,169	2,245,656	—	—	—
1,832,436	657,474	748,671	1,433,858	3,784,749	3,254,780	3,169,848
(588,747)	(560,417)	(633,621)	(838,531)	(1,153,053)	(1,555,523)	(1,795,231)
3,081,398	2,260,976	2,442,314	3,255,774	3,028,088	2,064,378	1,735,127
3,948,781	3,328,540	3,376,288	4,388,381	3,789,128	3,104,225	3,031,537

VERNON HILLS PARK DISTRICT, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years* May 31, 2021 (Unaudited)

	2012	2013	2014
Revenues			
Taxes	\$ 5,339,514	5,334,113	5,446,745
Intergovernmental	14,221	31,150	33,541
Charges for Services	1,947,080	2,469,473	3,752,563
Investment Income	9,774	14,374	21,271
Miscellaneous	148,400	171,284	400,143
Total Revenues	7,458,989	8,020,394	9,654,263
Expenditures			
Current			
General Government	2,096,671	2,064,435	2,066,693
Recreation	3,186,785	4,074,710	5,065,796
Capital Outlay	701,736	2,034,399	4,421,762
Debt Service			
Principal Retirement	1,800,000	1,840,000	1,880,000
Interest and Fiscal Charges	127,642	127,642	102,924
Total Expenditures	7,912,834	10,141,186	13,537,175
Excess of Revenues Over (Under) Expenditures	(453,845)	(2,120,792)	(3,882,912)
Other Financing Sources (Uses)			
Debt Issuance	—	2,025,000	4,977,285
Premium on Bonds	—	—	—
Transfers In	—	—	—
Transfers Out	—	—	—
	—	2,025,000	4,977,285
Net Change in Fund Balances	(453,845)	(95,792)	1,094,373
Debt Service as a Percentage of Noncapital Expenditures	(43.09%)	46.16%	18.22%

Data Source: Audited Financial Statements

*Modified Accrual Basis of Accounting

2015	2016	2017	2018	2019	2020	2021
4,598,612	4,691,273	4,923,723	4,836,267	5,008,603	5,071,142	5,408,419
23,739	1,635,914	341,294	891,562	135,396	12,705,913	5,577,050
4,073,236	4,807,978	4,880,872	4,864,241	4,680,777	3,729,192	1,814,272
12,677	21,430	35,468	51,990	104,351	83,708	58,060
138,718	577,187	258,005	1,148,315	387,379	412,060	396,562
8,846,982	11,733,782	10,439,362	11,792,375	10,316,506	22,002,015	13,254,363
1,843,749	2,014,117	1,923,598	2,170,447	775,194	981,873	898,561
5,709,003	6,026,506	6,213,961	6,441,636	7,875,430	7,288,804	5,678,187
512,104	3,598,768	7,764,738	1,489,144	1,572,066	13,189,849	5,987,100
1,387,285	1,524,166	1,422,880	1,439,810	1,464,205	1,570,416	1,608,421
119,134	95,007	182,455	258,450	270,730	271,369	247,072
9,571,275	13,258,564	17,507,632	11,799,487	11,957,625	23,302,311	14,419,341
(724,293)	(1,524,782)	(7,068,270)	(7,112)	(1,641,119)	(1,300,296)	(1,164,978)
990,663	904,528	7,004,810	1,019,205	1,031,385	1,059,390	1,092,290
—	—	111,208	—	—	—	—
—	488,000	708,880	332,000	873,595	392,208	500,000
—	(488,000)	(708,880)	(332,000)	(873,595)	(891,457)	(500,000)
990,663	904,528	7,116,018	1,019,205	1,031,385	560,141	1,092,290
266,370	(620,254)	47,748	1,012,093	(609,734)	(740,155)	(72,688)
18.90%	14.81%	14.57%	14.39%	15.50%	17.59%	20.94%

VERNON HILLS PARK DISTRICT, ILLINOIS**Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Tax Levy Years****May 31, 2021 (Unaudited)**

Tax Levy Year	Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Equalized Assessed Value as a Percentage of Actual Value
2011	\$ 1,180,690,605	0.4500	\$ 3,542,071,815	33.33%
2012	1,096,575,508	0.4960	3,289,726,524	33.33%
2013	1,037,740,575	0.4450	3,113,221,725	33.33%
2014	1,034,209,066	0.4550	3,102,627,198	33.33%
2015	1,079,105,866	0.4578	3,237,317,598	33.33%
2016	1,154,068,636	0.4194	3,462,205,908	33.33%
2017	1,198,394,088	0.4163	3,595,182,264	33.33%
2018	1,227,876,585	0.4110	3,683,629,755	33.33%
2019	1,292,111,520	0.4202	3,876,334,560	33.33%
2020	1,272,987,913	0.4337	3,818,963,739	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, 2021 (Unaudited)

Taxing Body	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct Rates										
Corporate	0.1690	0.1890	0.2040	0.2079	0.2029	0.1930	0.1918	0.1891	0.1825	0.1832
Recreation	0.1010	0.1120	0.1210	0.1243	0.1205	0.1141	0.1112	0.1145	0.1134	0.1251
Special Recreation	0.0170	0.0190	0.0240	0.0251	0.0400	0.0235	0.0259	0.0204	0.0400	0.0379
Bonds and Interest	0.1630	0.1760	0.0960	0.0977	0.0944	0.0888	0.0874	0.0870	0.0843	0.0875
Total District Rates	0.4500	0.4960	0.4450	0.4550	0.4578	0.4194	0.4163	0.4110	0.4202	0.4337
Overlapping Governments										
Lake County	0.5540	0.6080	0.6630	0.6830	0.6630	0.6320	0.6220	0.6120	0.5968	0.5980
Village of Mundelein	1.3440	N/A	N/A	N/A	1.5710	1.5630	1.5590	1.4194	1.4425	N/A
Lake County Forest Preserve District	0.2010	0.2120	0.2190	0.2100	0.2080	0.1930	0.1870	0.1820	0.1798	0.1818
Libertyville Township	0.1110	0.1220	0.1310	0.1340	0.1310	0.1240	0.1220	0.1220	0.1227	0.1266
Vernon Township	0.0570	0.0600	0.0650	0.0663	0.0644	0.0611	0.0564	N/A	0.0564	N/A
Central Lake County JAWA	0.0470	0.0520	0.0550	0.0560	0.0540	0.0460	0.0410	—	—	—
Countryside Fire Protection District	0.4950	0.5520	0.5970	0.6130	0.5990	0.5670	0.5620	0.5640	0.5595	0.5961
Lincolnshire-Riverwoods Fire Protection District	0.6620	N/A	N/A	N/A	0.7480	0.7470	0.7470	0.7511	0.7467	N/A
Cook County Memorial Library District	0.2540	0.2820	0.3030	0.3120	0.3040	0.2890	0.2840	0.2840	0.2834	0.2857
Vernon Area Library District	0.2610	N/A	N/A	N/A	0.3080	0.2930	0.2910	0.2939	0.2909	0.4337
School District No. 73	3.3060	3.6780	3.9970	4.1180	4.0330	3.8710	3.8250	3.8470	3.7402	3.3814
School District No. 76	3.3370	N/A	N/A	N/A	4.8710	4.6800	4.5670	4.5799	4.5670	N/A
School District No. 96	3.4530	N/A	N/A	N/A	3.8700	3.6900	3.6550	3.7166	3.6955	N/A
School District No. 103	2.5580	N/A	N/A	N/A	3.0240	2.8770	2.8700	2.8884	0.3848	N/A
High School District No. 120	2.1650	N/A	N/A	N/A	2.7710	2.6200	2.5520	2.5431	2.5524	N/A
High School District No. 125	2.4650	N/A	N/A	N/A	3.0040	2.8580	2.8620	2.5021	2.8618	N/A
High School District No. 128	2.3990	2.5800	2.9190	2.6870	2.7320	2.5320	2.4940	2.5020	2.5125	2.6034
Community College District No. 532	0.2400	0.2720	0.2960	0.3060	0.2990	0.2850	0.2810	0.2820	0.2815	0.2897
Total Overlapping Rates	23.9090	8.4180	9.2450	9.1853	29.2544	27.9281	27.5774	27.0895	24.8744	8.4964
Total Tax Rates	24.3590	8.9140	9.6900	9.6403	29.7122	28.3475	27.9937	27.5005	25.2946	8.9301

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 2020 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, 2021 (Unaudited)

Taxpayer	Rank	2021		Rank	2012	
		Taxable Assessed Value	Taxable Assessed Valuation		Taxable Assessed Value	Taxable Assessed Valuation
Westfield Shoppingtown Hawthorn	1	\$ 26,142,347	2.05%	1	\$ 20,280,283	1.72%
Passco Melody Farm DST Trust	2	23,952,103	1.88%			
MFREVF III Vernon Hills LLC	3	19,354,452	1.52%			
Melody Farm LLC	4	18,042,943	1.42%			
Azure Partners LLC	5	17,594,332	1.38%			
Corporate Woods Associates LLC	6	14,562,169	1.14%			
Leahy Vernon Hills Development, LLC	7	9,259,645	0.73%			
Inland Rivertree Court, LLC	8	8,361,724	0.66%			
CDW Computer Centers Inc	9	8,262,707	0.65%	7	8,578,786	0.73%
Hawthron Hill Square 1687 LLC	10	8,137,768	0.64%	10	7,095,344	0.60%
Van Vlissingen & Co				2	16,176,951	1.37%
Inland Real Estate				3	13,484,946	1.14%
Museum Garderns II LLC				4	11,857,369	1.00%
Leahy Vernon Hills Development				5	10,977,259	0.93%
PWA Continental Executive Parke, LP				6	8,766,227	0.74%
HCP HB2 Park at Vernon Hills LLC				8	8,098,048	0.69%
Vetrans Reality Office Buildings				9	7,322,093	0.62%
Totals		153,670,190	12.07%		112,637,306	9.54 %

Data Source: Office of the County Clerk

VERNON HILLS PARK DISTRICT, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
May 31, 2021 (Unaudited)**

Tax 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
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%	5,169,876	5,408,418	99.60%
2020	5,521,229	210,090	3.81%	—	210,090	3.81%

Data Source: Office of the County Clerk

VERNON HILLS PARK DISTRICT, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
May 31, 2021 (Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Intergovernmental Loan			
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
2021	8,037,290	672,244	8,709,534	0.66%	324.4

(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, 2021 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available For Debt Service	Totals	Estimated Actual Taxable Value of Property (1)	Per Capita (2)
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
2021	8,037,290	169,464	7,867,826	0.62%	293.0

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, 2021 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to District (2) (3)	District's Share of Debt
Direct			
Vernon Hills Park District	\$ 8,709,534	100.00%	\$ 8,709,534
Overlapping Debt (1)			
Lake County	147,785,000	4.70%	6,945,895
Lake County Forest Preserve	206,810,000	4.70%	9,720,070
Village of Vernon Hills	33,095,000	100.00%	33,095,000
Unit School District #73	65,479,914	67.48%	44,185,846
Unit School District #76	10,505,000	25.47%	2,675,624
Unit School District #103	6,600,000	20.43%	1,348,380
High School District #120	9,742,134	1.01%	98,396
High School District #125	37,245,000	9.17%	3,415,367
Community College District #532	42,955,000	4.93%	2,117,682
Mundelein Park District	2,805,000	0.001%	28
Countryside Fire Protection District	2,140,000	62.80%	1,343,920
Total Overlapping Bonded Debt	565,162,048		104,946,208
Total Direct and Overlapping Debt	573,871,582		113,655,742

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, 2021 (Unaudited)**

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS**Legal Debt Margin Information - Last Ten Fiscal Years****May 31, 2021 (Unaudited)**

	2012	2013	2014	2015
Equalized Assessed Valuation	\$ 1,180,690,605	1,096,575,508	1,037,740,575	1,034,209,066
Bonded Debt Limit - 8.625% of Assessed Value	33,944,855	31,526,546	29,835,042	29,733,511
Total Net Debt Applicable to Limit	3,720,000	1,880,000	977,285	990,660
Legal Debt Margin	30,224,855	29,646,546	28,857,757	28,742,851
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.31 %	6.34 %	3.39 %	3.45 %
Non-Referendum Legal Debt Limit .575% of Assessed Value	6,788,971	6,305,309	5,967,008	5,946,702
Amount of Debt Applicable to Limit	3,720,000	1,880,000	977,285	990,660
Legal Debt Margin	3,068,971	4,425,309	4,989,723	4,956,042
Percentage of Legal Debt Margin to Bonded Debt Limit	54.79 %	29.82 %	16.38 %	16.66 %

Data Source: District Records

2016	2017	2018	2019	2020	2021
1,079,105,866	1,154,068,636	1,198,394,088	1,227,876,585	1,292,111,520	1,272,987,913
31,024,294	33,179,473	34,453,830	35,301,452	37,148,206	36,598,402
997,880	1,004,810	1,019,205	1,031,385	1,059,390	1,092,290
30,026,414	32,174,663	33,434,625	34,270,067	36,088,816	35,506,112
3.32 %	3.12 %	3.05 %	3.01 %	2.94 %	3.08 %
6,204,859	6,635,895	6,890,766	7,060,290	7,429,641	7,319,680
997,880	1,004,810	1,019,205	1,031,385	1,059,390	1,092,290
5,206,979	5,631,085	5,871,561	6,028,905	6,370,251	6,227,390
16.08 %	15.14 %	14.79 %	14.61 %	14.26 %	14.92 %

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	<u>\$ 1,272,987,913</u>
Bonded Debt Limit - 2.875% of Assessed Value	36,598,402
Amount of Debt Applicable to Limit	<u>1,092,290</u>
Legal Debt Margin	<u>35,506,112</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years May 31, 2021 (Unaudited)

Fiscal Year	Population	Personal Income (In Thousands of Dollars)	Per Capita Personal Income	Unemployment Rate
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%
2021	26,850	1,327,867	49,455	7.30%

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, 2021 (Unaudited)

Employer	Rank	2021	Rank	2012
		% of Total District Population		% of Total District Population
Westfield Hawthorn	1	9.38%	1	19.64%
American Hotel Register Co.	2	1.88%	3	3.14%
Mitsubishi Electric Automation, Inc.	3	1.50%	4	2.75%
CDW Computer Centers, Inc.	4	1.31%	4	2.75%
Rust-Oleum Company	5	1.31%	10	1.41%
Becton Dickinson	6	1.13%		
Cole-Parmer Instrument Co.	7	1.13%	6	2.36%
ZF Aftermath	8	1.13%	7	1.89%
Richard Wolf Medical Instruments Corp.	9	0.75%		
Neil Enterprises, Inc.	10	0.60%		
Zebra Technologies Corp			2	7.07%
ETA/Cuisenaire			8	1.57%
		<u>20.12%</u>		<u>44.16%</u>

Data Source: 2021 Illinois Manufacturers Directory, 2021 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, 2021 (Unaudited)

Function/Program	2012	2013	2014	2015
Full-Time Employees	27	42	44	46

Data Source: District Records

2016	2017	2018	2019	2020	2021
50	50	50	50	46	45

VERNON HILLS PARK DISTRICT, ILLINOIS**Operating Indicators by Function/Program - Last Ten Fiscal Years
May 31, 2021 (Unaudited)**

Fiscal Year	2012	2013	2014
Parks and Facilities			
Parks			
Number	23	23	23
Acres	444	453	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	—	1	1
Lakes/Ponds	7	7	7
Neighborhood Center	2	1	1
Outdoor Skating Rinks	4	1	1
Picnic Shelters	32	32	32
Playgrounds	24	24	24
Skate Parks	1	1	1
Sled Hills	1	1	1
Soccer Fields	5	5	5
Swimming Pools	1	2	2
Tennis Courts	12	12	12
Volleyball Courts	6	6	6
Pickleball Courts	—	—	—

Data Source: District Records

2015	2016	2017	2018	2019	2020	2021
23	23	23	23	23	23	23
453	453	453	453	453	453	453
19	19	19	19	19	23	23
7	7	7	7	7	6	6
12	12	12	12	12	10	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	9	9
1	1	1	1	1	1	1
1	4	4	4	4	4	2
32	32	32	32	32	33	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	9	9
2	2	2	2	2	2	2
12	12	12	12	12	10	12
6	6	6	6	6	6	6
—	—	—	—	6	6	8

VERNON HILLS PARK DISTRICT, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years May 31, 2021 (Unaudited)

Function	2012	2013	2014
Recreation			
Carrying Amount of Capital Assets	19,104,622	20,433,191	23,901,568

Source: District Records

2015	2016	2017	2018	2019	2020	2021
23,606,211	26,157,919	32,456,415	32,658,725	33,229,379	45,142,992	49,361,338