

# VERNON HILLS PARK DISTRICT, ILLINOIS

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ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
MAY 31, 2022

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED MAY 31, 2022**

**Prepared by:  
Business Office**

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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, 2022**

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**BOARD OF PARK COMMISSIONERS**

David Doerhoefer, President

Cindy Kessler, Vice President

Carol Sente, Commissioner

Bruce Robbins, Commissioner

Janice Giraldo, Commissioner

**ADMINISTRATIVE**

Jeff Fougrousse, Executive Director

Jessica Mitchell, Superintendent of Finance and Human Resources

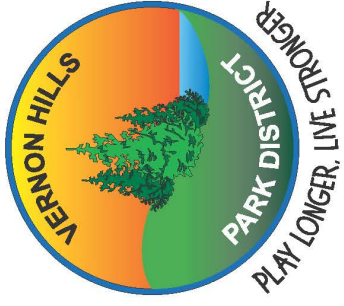
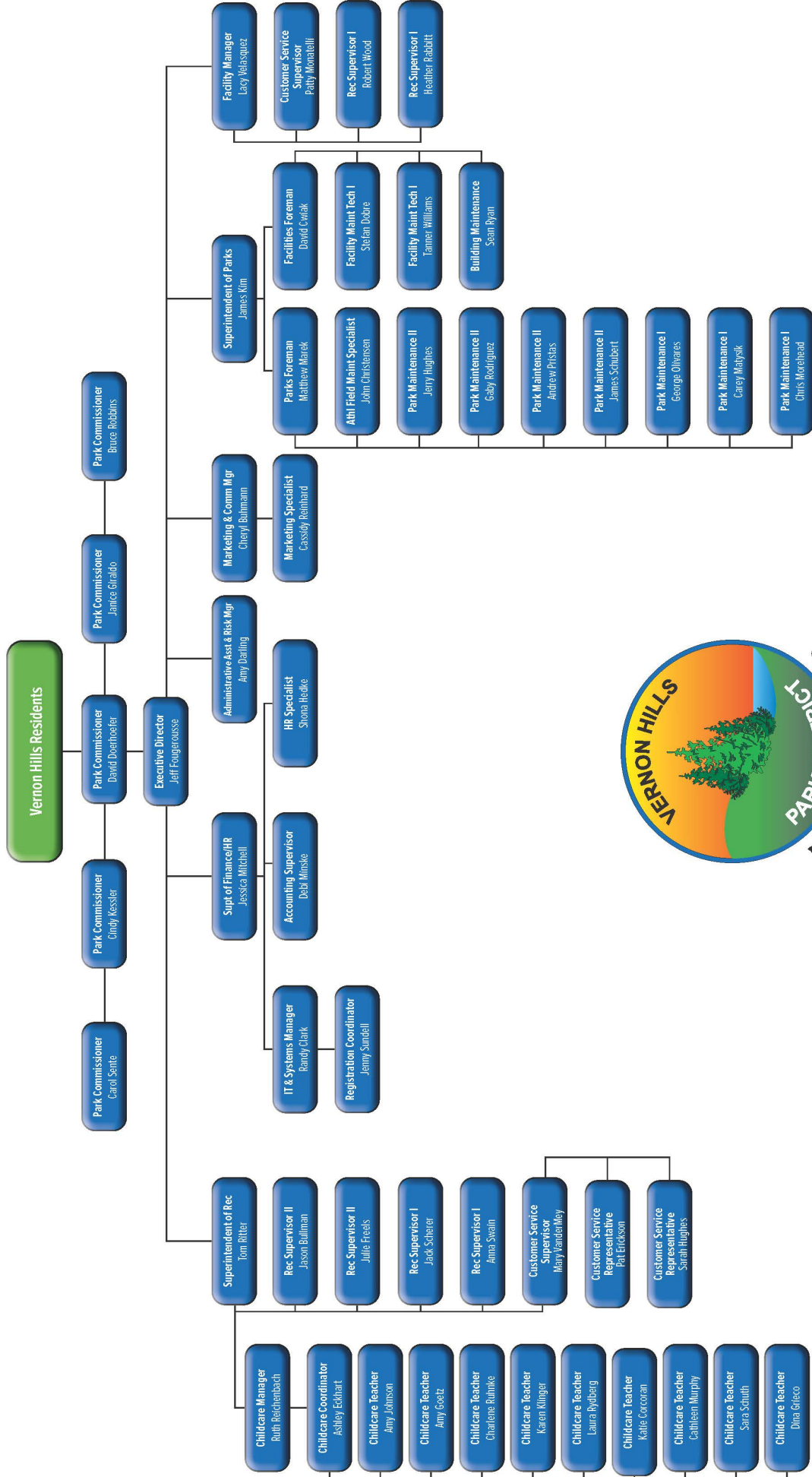
Tom Ritter, Superintendent of Recreation/ADA Compliance Officer

James Kim, Superintendent of Parks

Cheryl Buhmann, Marketing and Communications Manager

Lacy Velasquez, Facility Manager

# Vernon Hills Park District Organizational Chart



*Addressing the lifelong leisure needs of all Vernon Hills residents.*





September 22, 2022

To the Citizens of the Vernon Hills Park District:

The annual comprehensive financial report of the Vernon Hills Park District, Illinois (District) for the fiscal year ended May 31, 2022, 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.



2018-2023

**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

**Park Maintenance**  
1400 Indianwood Drive, Vernon Hills, IL 60061  
**Phone** (847) 362-0920  
**Fax** (847) 362-3618

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. 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, 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 Century Park Arboretum, Lakeview Fitness, Cuneo Museum and Gardens, Glacier Ice Arena, White Deer Run Golf Course, the Vernon Hills Golf Course, Hawthorn Mall, Melody Farm, the Arbortheater and the Vernon Hills Athletic Complex.

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

## **LONG-TERM FINANCIAL PLANNING**

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

## **MAJOR INITIATIVES**

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

The majority of the District's capital improvements focus on park improvements, vehicle and equipment replacement, technology upgrades, repair, and/or replacement of existing facilities and equipment, as well as compliance with safety standards and legal requirements. Projects for the fiscal 2022 year included Lakeview Fitness facility renovations and new construction, Lakeview playground shade structure, community room partition replacement at Sullivan Community Center, Grosse Point Tennis Courts, Century Park Playground, community garden water supply added to Century Park, Little Learner's Childcare Kitchen renovation, and Laschen Park tennis and pickle ball courts.

***For the Future.*** For fiscal 2023, the District will continue 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 Playground installation at Warrington, Laschen and Hawthorn Melody 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, 2022, the District had outstanding debt of \$8,166,368. \$7,578,155, in General Obligation Bonds principal and \$588,213 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, 2022, the District's aggregate outstanding debt of \$8,166,368 was well below the \$36,447,741 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 annual comprehensive financial report for the fiscal year ended May 31, 2021. This was the 27th 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 annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

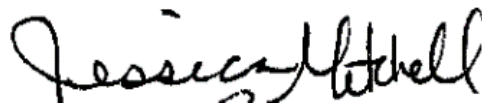
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Jeffrey Fougousse, CPRP  
Executive Director/Board Secretary



Jessica Mitchell, 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

May 31, 2021

*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 22, 2022

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

### **Opinions**

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Hills Park District, Illinois, as of May 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and GASB-required pension and other post-employment benefit (OPEB) reporting, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**Supplementary Information**

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

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises of the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

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

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

### **Management Discussion and Analysis**

**May 31, 2022**

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Our discussion and analysis of the Vernon Hills Park District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended May 31, 2022. 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 \$44,450,057 as a result of this year's operations, net position of the governmental activities increased by \$2,228,195, or 5.3 percent.
- During the year, government-wide revenues for the primary government totaled \$11,972,249, while expenses totaled \$9,744,054, resulting in an ending net position of \$44,450,057.
- The District's net position totaled \$44,450,057 on May 31, 2022, which includes \$41,593,076 net investment in capital assets, \$255,799 subject to external restrictions, and \$2,601,182 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 \$65,864, or 5.1 percent, resulting in ending fund balance of \$1,362,274.

#### **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, 2022

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### 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, 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. 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, 2022

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### 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 \$44,450,057.

	Net Position	
	Governmental	
	Activities	
	2022	2021
Current and Other Assets	\$ 14,737,343	11,065,848
Capital Assets	49,247,685	49,361,338
Total Assets	63,985,028	60,427,186
Deferred Outflows of Resources	317,814	373,485
Total Assets and Deferred Outflows	64,302,842	60,800,671
Long-Term Liabilities	7,092,815	7,772,503
Other Liabilities	5,694,480	4,291,617
Total Liabilities	12,787,295	12,064,120
Deferred Inflows of Resources	7,065,490	6,514,689
Total Liabilities and Deferred Inflows	19,852,785	18,578,809
Net Position		
Net Investment in Capital Assets	41,593,076	41,240,643
Restricted	255,799	262,083
Unrestricted	2,601,182	719,136
Total Net Position	44,450,057	42,221,862

A large portion of the District's net position, \$41,593,076 or 93.6 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, \$255,799 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 5.9 percent, or \$2,601,182, 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, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

	<u>Change in Net Position</u>	
	Governmental	
	Activities	
	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues		
Charges for Services	\$ 3,314,896	6,975,742
Operating Grants/Contributions	64,641	383,228
Capital Grants/Contributions	425,975	—
General Revenues		
Property Taxes	5,504,678	5,408,419
Personal Property Replacement Tax	71,298	32,352
Investment Income	9,358	58,060
Miscellaneous	2,581,403	396,562
Total Revenues	<u>11,972,249</u>	<u>13,254,363</u>
Expenses		
General Government	1,066,203	1,337,752
Parks and Recreation	8,464,841	7,020,835
Interest on Long-Term Debt	213,010	229,678
Total Expenses	<u>9,744,054</u>	<u>8,588,265</u>
Change in Net Position	2,228,195	4,666,098
Net Position - Beginning	<u>42,221,862</u>	<u>37,555,764</u>
Net Position - Ending	<u>44,450,057</u>	<u>42,221,862</u>

Net position of the District's governmental activities increased by 5.3 percent (\$44,450,057 in 2022 compared to \$42,221,862 in 2021).

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Management Discussion and Analysis**

**May 31, 2022**

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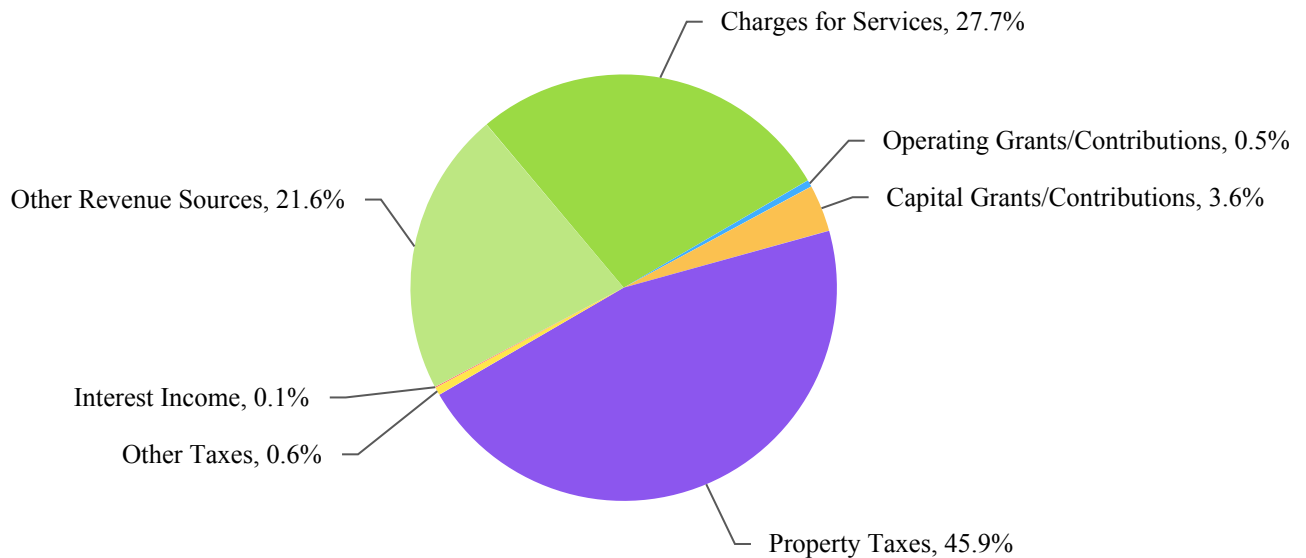
**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

**Governmental Activities**

Revenues for governmental activities totaled \$11,972,249, while the cost of all governmental functions totaled \$9,744,054. This results in a surplus of \$2,228,195. In 2021, revenues of \$13,254,363 exceeded expenditures of \$8,588,265, resulting in a surplus of \$4,666,098. The surplus in 2022 was due mainly to PARC grant of \$425,975 to be used for remodeling of the Lakeview Fitness building and the \$2,149,642 received from Developer Donation /Impact Fees. These monies are ear-marked for capital improvements in the future.

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, 2022

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

#### Governmental Funds

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

The District's governmental funds reported combining ending fund balances of \$4,293,405, which is an increase of \$1,261,868, or 41.6 percent, from last year's total of \$3,031,537.

The General Fund reported an increase in fund balance for the year of \$65,864, or 5.1 percent. The increase was due to higher than expected receipt of replacement tax revenue (budgeted \$24,000 and actual of \$71,299.). The 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, 2022, unassigned fund balance in the General Fund was \$1,358,325, 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 57.7 percent of total General Fund expenditures.

The Recreation Fund reported a decrease in fund balance for the year of \$241,792, or 10.9 percent. This decrease was due in large part to the lower than expected (\$74,000) revenue in the PALS programs to COVID and the higher than expected costs for healthcare, rising utility rates and contract services costs due to inflation. These variances are further outlined on the Recreation Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Lakeview Fitness Fund reported an increase in fund balance for the year of \$37,018, or 2.7 percent. This increase was due in large part to the increase in annual membership dues over budget (actual \$307,915 vs budgeted \$229,000). 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 \$19,695, or 7.4 percent. The fund balance of \$248,196 in the debt service fund is restricted for future debt service payments. This decrease is due to the lower than expected bond proceeds (\$16,000) and higher than expected legal fees (\$2,000). These variances are further outlined on the Bond Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Capital Fund reported an increase in fund balance for the year of \$1,547,842, or 162.9 percent. The increase is due mainly to increased Developer Impact Fees, Grants and \$460,000 transferred from the Bond Fund. The variances are further outlined on the Capital Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Management Discussion and Analysis**

**May 31, 2022**

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District Board of Commissioners held a public hearing on August 12, 2021 to address a Supplemental Budget and Appropriation Ordinance because the expenses for the Lakeview Fitness construction project were not included in the Fiscal Year 2021-2022 Budget and Appropriation Ordinance approved by the Board on May 27, 2021. The expenses were not included because the District did not receive notice of the PARC Grant award until late March of 2021 and the Lakeview construction budget was not completed till July of 2021. General Fund actual revenues for the year totaled \$2,421,426, compared to budgeted revenues of \$2,378,849.

The General Fund actual expenditures for the year were \$166,679 higher than budgeted (\$2,355,562 actual compared to \$2,188,883 budgeted). The general government and parks functions' actual expenditures were higher than budgeted expenditures by \$54,166 and \$112,513, 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, 2022 was \$49,247,685 (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	
	2022	2021
Land	\$ 10,715,011	10,715,011
Construction in Progress	781,909	—
Buildings and Improvements	33,429,865	34,426,485
Machinery and Equipment	4,239,345	4,125,566
Vehicles	81,555	94,276
Totals	<u>49,247,685</u>	<u>49,361,338</u>

This year's major capital asset additions included:

Construction in Progress	\$ 781,909
Buildings and Improvements	345,516
Machinery and Equipment	550,596
Vehicles	<u>20,810</u>
Total	<u>1,698,831</u>

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, 2022**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued**

**Debt Administration**

At year-end, the District had total outstanding debt of \$8,166,368 as compared to \$8,709,534 the previous year, a decrease of 6.2 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	Governmental Activities	
	2022	2021
General Obligation Bonds	\$ 7,578,155	8,037,290
Intergovernmental Loan	588,213	672,244
Totals	<u>8,166,368</u>	<u>8,709,534</u>

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 \$36,447,741.

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 2022-2023 budget including tax rates, program fees, the increasing minimum wage, increasing supply chain issues and material costs, as well as the continuing COVID-19 pandemic ripple effects. An additional factor considered for 2022 was the increase in wages overall as a result of cost of living, competitive hiring and wage compression with minimum wage increases.

The District’s Fiscal budget for 2022-2023 totals \$16,214,940 an increase from the final Fiscal 2021-2022 budget of \$11,678,595. New projects in the FY23 budget include funds to expand Lakeview Fitness. Equipment purchases include fitness equipment for Lakeview Fitness Center. Park improvements include playground installation at Warrington, Lachen and Hawthorn Melody 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 Jessica Mitchell, Superintendent of Finance and Human Resources, Vernon Hills Park District, 635 N. Aspen Drive, Vernon Hills, 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, 2022**

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**See Following Page**

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Net Position**

**May 31, 2022**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 5,610,268
Receivables - Net of Allowances	8,177,661
Prepays	3,949
Total Current Assets	<u>13,791,878</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	11,496,920
Depreciable	58,178,097
Accumulated Depreciation	<u>(20,427,332)</u>
Total Capital Assets	49,247,685
Other Assets	
Net Pension Asset	<u>945,465</u>
Total Noncurrent Assets	<u>50,193,150</u>
Total Assets	<u>63,985,028</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	313,487
Deferred Items - RBP	4,327
Total Deferred Outflows of Resources	<u>317,814</u>
Total Assets and Deferred Outflows of Resources	<u>64,302,842</u>

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

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 866,966
Accrued Payroll	113,316
Deposits Payable	8,700
Accrued Interest Payable	89,116
Other Payables	2,858,711
Current Portion of Long-Term Debt	1,757,671
Total Current Liabilities	<u>5,694,480</u>
Noncurrent Liabilities	
Compensated Absences Payable	214,134
Total OPEB Liability - RBP	339,996
General Obligation Bonds Payable - Net	6,034,503
Intergovernmental Loan	504,182
Total Noncurrent Liabilities	<u>7,092,815</u>
Total Liabilities	<u>12,787,295</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	5,650,780
Deferred Items - IMRF	1,414,710
Total Deferred Inflows of Resources	<u>7,065,490</u>
Total Liabilities and Deferred Inflows of Resources	<u>19,852,785</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	41,593,076
Restricted	
Special Recreation	96,719
Debt Service	159,080
Unrestricted	<u>2,601,182</u>
Total Net Position	<u><u>44,450,057</u></u>

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Activities**

**For the Fiscal Year Ended May 31, 2022**

	Expenses	Program Revenues			Net
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	(Expenses)/ Revenues Governmental Activities
Governmental Activities					
General Government	\$ 1,066,203	—	—	—	(1,066,203)
Parks and Recreation	8,464,841	3,314,896	64,641	425,975	(4,659,329)
Interest on Long-Term Debt	213,010	—	—	—	(213,010)
<b>Total Governmental Activities</b>	<b>9,744,054</b>	<b>3,314,896</b>	<b>64,641</b>	<b>425,975</b>	<b>(5,938,542)</b>
		General Revenues			
		Taxes			
		Property Taxes			5,504,678
		Intergovernmental - Unrestricted			
		Personal Property Replacement Tax			71,298
		Investment Income			9,358
		Miscellaneous			2,581,403
					<u>8,166,737</u>
		Change in Net Position			2,228,195
		Net Position - Beginning			<u>42,221,862</u>
		Net Position - Ending			<u><u>44,450,057</u></u>

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Balance Sheet - Governmental Funds**

**May 31, 2022**

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**See Following Page**



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Balance Sheet - Governmental Funds**

**May 31, 2022**

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 551,844
Receivables - Net of Allowances	
Property Taxes	2,170,270
Accounts	—
Due from Other Governments	—
Due from Other Funds	1,131,284
Prepays	<u>3,949</u>
 Total Assets	 <u><u>3,857,347</u></u>
<b>LIABILITIES</b>	
Accounts Payable	181,591
Accrued Payroll	22,688
Deposits Payable	—
Other Payables	15,612
Due to Other Funds	—
Total Liabilities	<u>219,891</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	<u>2,275,182</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>2,495,073</u></u>
<b>FUND BALANCES</b>	
Nonspendable	3,949
Restricted	—
Assigned	—
Unassigned	<u>1,358,325</u>
Total Fund Balances	<u><u>1,362,274</u></u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	  <u><u>3,857,347</u></u>

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

Special Revenue		Debt Service	Capital Projects		
Recreation	Lakeview Fitness	Bond	Capital	Nonmajor	Totals
1,997,451	—	300,284	2,639,583	121,106	5,610,268
1,658,554	—	1,077,703	—	483,720	5,390,247
469,684	187,886	—	—	—	657,570
—	—	—	425,975	—	425,975
572,585	—	—	—	—	1,703,869
—	—	—	—	—	3,949
<u>4,698,274</u>	<u>187,886</u>	<u>1,377,987</u>	<u>3,065,558</u>	<u>604,826</u>	<u>13,791,878</u>
71,509	30,629	—	567,521	15,716	866,966
58,990	28,361	—	—	3,277	113,316
8,700	—	—	—	—	8,700
842,506	291,097	—	—	5,627	1,154,842
—	1,162,037	—	—	541,832	1,703,869
<u>981,705</u>	<u>1,512,124</u>	<u>—</u>	<u>567,521</u>	<u>566,452</u>	<u>3,847,693</u>
1,738,708	—	1,129,791	—	507,099	5,650,780
<u>2,720,413</u>	<u>1,512,124</u>	<u>1,129,791</u>	<u>567,521</u>	<u>1,073,551</u>	<u>9,498,473</u>
—	—	—	—	—	3,949
—	—	248,196	—	96,719	344,915
1,977,861	—	—	2,498,037	—	4,475,898
—	(1,324,238)	—	—	(565,444)	(531,357)
<u>1,977,861</u>	<u>(1,324,238)</u>	<u>248,196</u>	<u>2,498,037</u>	<u>(468,725)</u>	<u>4,293,405</u>
<u>4,698,274</u>	<u>187,886</u>	<u>1,377,987</u>	<u>3,065,558</u>	<u>604,826</u>	<u>13,791,878</u>

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, 2022**

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<b>Total Governmental Fund Balances</b>	\$ 4,293,405
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.	49,247,685
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	945,465
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(1,101,223)
Deferred Items - RBP	4,327
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable	(267,668)
Total OPEB Liability - RBP	(339,996)
General Obligation Bonds - Net	(7,654,609)
Intergovernmental Loan	(588,213)
Accrued Interest Payable	(89,116)
<b>Net Position of Governmental Activities</b>	<u><u>44,450,057</u></u>

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended May 31, 2022**

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**See Following Page**

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended May 31, 2022**

	<u>General</u>
Revenues	
Taxes	\$ 2,324,730
Intergovernmental	71,298
Charges for Services	—
Investment Income	3,933
Miscellaneous	21,465
Total Revenues	<u>2,421,426</u>
Expenditures	
General Government	980,146
Parks and Recreation	1,273,966
Capital Outlay	—
Debt Service	
Principal Retirement	—
Interest and Fiscal Charges	101,450
Total Expenditures	<u>2,355,562</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>65,864</u>
Other Financing Sources (Uses)	
Debt Issuance	—
Transfers In	—
Transfers Out	—
	<u>—</u>
Net Change in Fund Balances	65,864
Fund Balances - Beginning	<u>1,296,410</u>
Fund Balances - Ending	<u><u>1,362,274</u></u>

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

Recreation	Special Revenue		Debt Service Bond	Capital Projects Capital	Nonmajor	Totals
	Lakeview Fitness					
1,588,306	—		1,110,855	—	480,787	5,504,678
64,641	—		—	425,975	—	561,914
1,924,007	1,339,859		—	—	51,030	3,314,896
2,019	—		438	2,968	—	9,358
127,195	—		—	2,432,743	—	2,581,403
3,706,168	1,339,859		1,111,293	2,861,686	531,817	11,972,249
—	—		—	—	—	980,146
3,932,105	1,302,841		—	—	675,041	7,183,953
—	—		—	1,773,844	—	1,773,844
—	—		1,656,321	—	—	1,656,321
—	—		127,822	—	—	229,272
3,932,105	1,302,841		1,784,143	1,773,844	675,041	11,823,536
(225,937)	37,018		(672,850)	1,087,842	(143,224)	148,713
—	—		1,113,155	—	—	1,113,155
—	—		—	460,000	15,855	475,855
(15,855)	—		(460,000)	—	—	(475,855)
(15,855)	—		653,155	460,000	15,855	1,113,155
(241,792)	37,018		(19,695)	1,547,842	(127,369)	1,261,868
2,219,653	(1,361,256)		267,891	950,195	(341,356)	3,031,537
1,977,861	(1,324,238)		248,196	2,498,037	(468,725)	4,293,405

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, 2022**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,261,868</b>
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	1,698,831
Depreciation Expense	(1,812,484)
An change to a net pension asset is not considered to be an increase in a financial asset in the governmental funds.	
Change in Net Pension Asset - IMRF	902,285
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(471,622)
Change in Deferred Items - RBP	(5,537)
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	33,600
Change in Total OPEB Liability - RBP	61,826
Retirement of Debt	1,656,321
Issuance of Debt	(1,113,155)
Unamortized Debt Premium	6,951
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	9,311
<b>Changes in Net Position of Governmental Activities</b>	<b>2,228,195</b>

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

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### REPORTING ENTITY

The District's financial reporting entity comprises the following:

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

#### BASIS OF PRESENTATION

##### Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's parks and 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, parks and 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, parks and 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, 2022

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### 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, 2022

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### 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, 2022

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### 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 Investments

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

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

##### Interfund Receivables, Payables and Activity

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

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**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 a consumption/acquisition of net assets 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, 2022

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

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

##### Compensated Absences

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

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

##### Long-Term Obligations

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

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

##### Net Position

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

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

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

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

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

**BUDGETARY INFORMATION**

The District follows these procedures in establishing the budgetary data:

- a. The Superintendent of Recreation, the Superintendent of Parks, the Facility Manager and the Marketing and Communication Manager present detailed budget requests by general ledger line item to the Superintendent of Finance and Human Resources in January.
- b. The Superintendent of Finance and Human Resources reviews the proposed budget with the Executive Director in January.
- c. Two budget workshops are held with the Executive Director, Division Heads and Park Board in February and March. The February workshop includes a review of the capital improvement projects to be included in the budget.
- d. A Budget and Appropriations hearing is held at a special Board meeting in May.
- e. Budgets for the Funds are legally adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Capital, 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.
- g. All budget authority lapses at the end of the year. 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
General	\$ 166,679
Recreation	301,911
Lakeview Fitness	83,923
Bond	1,510
Capital	89,444

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

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

**DEFICIT FUND BALANCES**

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

Fund	Deficit
Lakeview Fitness	\$ 1,324,238
Family Aquatic Center	565,444

**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 and IPRIME.

The Illinois Public Reserves Investment Management Trust (IPRIME) is an investment opportunity and cash management service for Illinois Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, and all other political corporations or subdivisions of the State of Illinois. Participation in IPRIME is voluntary. IPRIME is not registered with the SEC as an Investment Company. Investments in IPRIME are valued at the share price, the price for which the investment could be sold.

**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 \$5,609,713 and the bank balances totaled \$5,593,553. Additionally, the District has \$555 invested in IPRIME, which has a maturity of less than one year and is measured at net asset value per share as determined by the pool.

*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.

## VERNON HILLS PARK DISTRICT, ILLINOIS

### Notes to the Financial Statements

May 31, 2022

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

##### DEPOSITS AND INVESTMENTS - Continued

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

*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. At year-end, the District's investment in IPRIME was rated AAAM by Standard & Poor's.

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

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

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

- 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).



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

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

**PROPERTY TAXES**

Property taxes for 2021 attach as an enforceable lien on January 1, 2021, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3% of the tax levy, to reflect actual collection experience.

**INTERFUND BALANCES**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Recreation	Lakeview Fitness	\$ 572,585
General	Lakeview Fitness	589,452
General	Nonmajor	<u>541,832</u>
		<u><u>1,703,869</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:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Capital	Bond	\$ 460,000
Nonmajor	Recreation	<u>15,855</u>
		<u><u>475,855</u></u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

**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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 10,715,011	—	—	10,715,011
Construction in Progress	—	781,909	—	781,909
	<u>10,715,011</u>	<u>781,909</u>	<u>—</u>	<u>11,496,920</u>
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	49,133,107	345,516	—	49,478,623
Machinery and Equipment	7,466,051	550,596	—	8,016,647
Vehicles	662,017	20,810	—	682,827
	<u>57,261,175</u>	<u>916,922</u>	<u>—</u>	<u>58,178,097</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	14,706,622	1,342,136	—	16,048,758
Machinery and Equipment	3,340,485	436,817	—	3,777,302
Vehicles	567,741	33,531	—	601,272
	<u>18,614,848</u>	<u>1,812,484</u>	<u>—</u>	<u>20,427,332</u>
<b>Total Net Depreciable Capital Assets</b>	<u>38,646,327</u>	<u>(895,562)</u>	<u>—</u>	<u>37,750,765</u>
<b>Total Net Capital Assets</b>	<u>49,361,338</u>	<u>(113,653)</u>	<u>—</u>	<u>49,247,685</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 606,609
Parks and Recreation	<u>1,205,875</u>
	<u>1,812,484</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

**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.	\$ 945,000	—	480,000	465,000
\$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.	1,092,290	—	1,092,290	—
\$1,113,155 General Obligation Limited Tax Park Bonds of 2021 due in one installment of \$1,113,155 plus interest at 0.49% on December 1, 2022.	—	1,113,155	—	1,113,155
	<u>8,037,290</u>	<u>1,113,155</u>	<u>1,572,290</u>	<u>7,578,155</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

**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	\$ 301,268	33,600	67,200	267,668	53,534
Total OPEB Liability - RBP	401,822	—	61,826	339,996	—
General Obligation Bonds	8,037,290	1,113,155	1,572,290	7,578,155	1,613,155
Unamortized Bond Premium	83,405	—	6,951	76,454	6,951
Intergovernmental Loan	672,244	—	84,031	588,213	84,031
	<u>9,496,029</u>	<u>1,146,755</u>	<u>1,792,298</u>	<u>8,850,486</u>	<u>1,757,671</u>

Payments on 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, 2022 the total intergovernmental loan payable is \$588,213. The annual debt service requirements to maturity are as follows:

Fiscal Year	Payment
2023	\$ 84,031
2024	84,031
2025	84,031
2026	84,031
2027	84,031
2028	84,031
2029	<u>84,027</u>
	<u>588,213</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

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**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
2023	\$ 1,613,155	193,939
2024	510,000	173,850
2025	530,000	163,650
2026	550,000	147,750
2027	570,000	131,250
2028	590,000	114,154
2029	610,000	96,450
2030	635,000	42,982
2031	645,000	59,100
2032	650,000	39,750
2033	675,000	20,250
Totals	<u>7,578,155</u>	<u>1,183,125</u>

**Legal Debt Margin**

Chapter 70, Section 1205/6-2 of the Illinois Compiled Statutes provides "...for the payment of land condemned or purchased for parks or boulevards, for the building, maintaining, improving and protection of the same and for the payment of the expenses incident thereto, or for the acquisition of real estate and lands to be used as a site for an armory, any park district is authorized to issue the bonds or notes of such park district and pledge its property and credit therefore to an amount including existing indebtedness of such district so that the aggregate indebtedness of such district does not exceed 2.875% of the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the issue from time to time of such bonds or notes or, until January 1, 1983, if greater, the sum that is produced by multiplying the district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, if a petition, signed by voters in number equal to not less than 2% of the voters of the district, who voted at the last general election in the district, asking that the authorized aggregate indebtedness of the district be increased to not more that .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, 2022**

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

**LONG-TERM DEBT - Continued**

**Legal Debt Margin - Continued**

Assessed Valuation - 2021	<u>\$ 1,267,747,514</u>
Legal Debt Limit - 2.875% of Assessed Value	36,447,741
Amount of Debt Applicable to Limit	
General Obligation Park Bonds of 2021	<u>1,113,155</u>
Legal Debt Margin	<u>35,334,586</u>
Non-Referendum Legal Debt Limit	
0.575% of Equalized Assessed Value	7,289,548
Amount of Debt Applicable to Limit	
General Obligation Park Bonds of 2021	<u>1,113,155</u>
Non-Referendum Legal Debt Margin	<u>6,176,393</u>

**NET POSITION CLASSIFICATIONS**

Net investment in capital assets was comprised of the following as of May 31, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 49,247,685
Less Capital Related Debt:	
General Obligation Park Bonds of 2013A	(465,000)
General Obligation Park Bonds of 2016A	(6,000,000)
General Obligation Limited Tax Park Bonds of 2021	(1,113,155)
Unamortized Bond Premium	<u>(76,454)</u>
Net Investment in Capital Assets	<u>41,593,076</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

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

**FUND BALANCE CLASSIFICATIONS**

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

	General	Special Revenue		Debt	Capital	Nonmajor	Totals
		Recreation	Lakeview Fitness	Service Bond	Projects Capital		
Fund Balances							
Nonspendable							
Prepays	\$ 3,949	—	—	—	—	—	3,949
Restricted							
Special Recreation	—	—	—	—	—	96,719	96,719
Debt Service	—	—	—	248,196	—	—	248,196
	—	—	—	248,196	—	96,719	344,915
Assigned							
Recreation	—	1,977,861	—	—	—	—	1,977,861
Capital Projects	—	—	—	—	2,498,037	—	2,498,037
	—	1,977,861	—	—	2,498,037	—	4,475,898
Unassigned	1,358,325	—	(1,324,238)	—	—	(565,444)	(531,357)
<b>Total Fund Balances</b>	<b>1,362,274</b>	<b>1,977,861</b>	<b>(1,324,238)</b>	<b>248,196</b>	<b>2,498,037</b>	<b>(468,725)</b>	<b>4,293,405</b>

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, 2022

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

#### FUND BALANCE CLASSIFICATIONS - Continued

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

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

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

#### 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.

##### 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.

#### JOINT VENTURES

##### Special Recreation Association of Central Lake County (SRACLCLC)

The District is a member of the Special Recreation Association of Central Lake County (SRACLCLC), 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 SRACLCLC during the fiscal year ended May 31, 2022.

The District does not exercise direct oversight of SRACLCLC, and accordingly, SRACLCLC has not been included in these basic financial statements. The audited financial statements of SRACLCLC are available at 271 North Archer Avenue, Mundelein, IL 60060.



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

**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, 2022 to January 1, 2023:

<b>Coverage</b>	<b>Member Deductible</b>	<b>PDRMA Self- Insured Retention</b>	<b>Limits</b>
<b>PROPERTY</b>			
Property/Bldg/Contents			
All Losses Per Occurrence	\$1,000	\$1,000,000	\$1,000,000,000/All Members
Flood/Except Zones A & V	\$1,000	\$1,000,000	\$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/projects in excess of \$15,000,000 require approval
Tax Revenue Interruption	\$1,000	\$1,000,000	\$3,000,000/Reported Values \$1,000,000/Non-Reported Values
Business Interruption, Rental Income	\$1,000		\$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
<b>WORKERS COMPENSATION</b>			
Employers Liability	N/A	\$500,000	Statutory
		\$500,000	\$3,500,000 Employers Liability
<b>LIABILITY</b>			
General	None	\$500,000	\$21,500,000/Occurrence
Auto Liability	None	\$500,000	\$21,500,000/Occurrence
Employment Practices	None	\$500,000	\$21,500,000/Occurrence

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**RISK MANAGEMENT - Continued**

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

<b>Coverage</b>	<b>Member Deductible</b>	<b>PDRMA Self-Insured Retention</b>	<b>Limits</b>
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
<b>POLLUTION LIABILITY</b>			
Liability - Third Party	None	\$25,000	\$5,000,000/Occurrence
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 Year Aggregate
<b>OUTBREAK EXPENSE</b>			\$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
<b>INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA LIABILITY COVERAGE</b>			
Breach Response	\$1,000	\$50,000	\$500,000/Occurrence/Annual Aggregate
Business Interruption due to Security Breach	8 Hours	\$50,000	\$750,000/Occurrence/Annual Aggregate
Business Interruption due to System Failure	8 Hours	\$50,000	\$500,000/Occurrence/Annual Aggregate
Dependent Business Loss	8 Hours	\$50,000	\$750,000/Occurrence/Annual Aggregate
Liability	\$1,000	\$50,000	\$2,000,000/Occurrence/Annual Aggregate
eCrime	\$1,000	\$50,000	\$75,000/Occurrence/Annual Aggregate
Criminal Reward	\$1,000	\$50,000	\$25,000/Occurrence/Annual Aggregate
<b>DEADLY WEAPON RESPONSE</b>			
Liability	\$1,000	\$9,000	\$500,000/Occurrence/\$2,500,000 Annual Aggregate
First Party Property	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Crisis Management Services	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Counseling/Funeral Expenses	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Medical Expenses	\$1,000	\$9,000	\$25,000/person/\$500,000 Annual Aggregate
AD&D	\$1,000	\$9,000	\$50,000/person/\$500,000 Annual Aggregate
<b>VOLUNTEER MEDICAL ACCIDENT</b>			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense Excess of any other
			Collectible Insurance

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**RISK MANAGEMENT - Continued**

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

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
<b>UNDERGROUND STORAGE TANK LIABILITY</b>			
Underground Storage Tank Liability	None	N/A	\$10,000, Follows Illinois Leaking
			Underground Tank Fund
<b>UNEMPLOYMENT COMPENSATION</b>			
Unemployment Compensation	N/A	N/A	Statutory

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

As a member of PDRMA’s Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District’s governing body.

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigations and settlement, and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

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

The following represents a summary of PDRMA’s Property/Casualty Program balance sheet at December 31, 2021 and the statement of revenues and expenses for the period ending December 31, 2021. The District’s portion of the overall equity of the pool is 0.313% or \$178,856.

Assets	\$ 77,156,496
Deferred Outflows of Resources - Pension	871,829
Liabilities	19,465,811
Deferred Inflows of Resources - Pension	1,466,716
Total Net Position	57,095,798
Operating Revenues	17,390,850
Nonoperating Revenues	2,635,445
Expenditures	19,688,616

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2022

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### NOTE 4 - OTHER INFORMATION - Continued

#### RISK MANAGEMENT - Continued

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

Since 96.36% 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.

##### 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 \$300,000. 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, 2021 and the statement of revenues and expenses for the period ending December 31, 2021.

Assets	\$ 30,099,639
Deferred Outflows of Resources - Pension	373,641
Liabilities	4,502,442
Deferred Inflows of Resources - Pension	628,592
Total Net Position	25,342,246
Operating Revenues	32,172,095
Nonoperating Revenues	58,241
Expenditures	31,205,267

A large percentage of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred.

# VERNON HILLS PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

May 31, 2022

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### 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](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

##### Plan Descriptions

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

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

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

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, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

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

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

**Plan Descriptions - Continued**

*Plan Membership.* As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	27
Inactive Plan Members Entitled to but not yet Receiving Benefits	52
Active Plan Members	<u>54</u>
Total	<u>133</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, 2022, the District's contribution was 8.94% of covered payroll.

*Net Pension (Asset).* The District's net pension (asset) was measured as of December 31, 2021. 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, 2021, 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, 2022

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### NOTE 4 - OTHER INFORMATION - Continued

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

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

##### Plan Descriptions - Continued

*Actuarial 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	25.00%	-0.60%
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	-0.90%

##### 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, 2022**

**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)	\$ 452,684	(945,465)	(2,027,997)

**Changes in the Net Pension (Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 10,262,368	10,305,548	(43,180)
Changes for the Year:			
Service Cost	238,851	—	238,851
Interest on the Total Pension Liability	738,005	—	738,005
Difference Between Expected and Actual Experience of the Total Pension Liability	89,059	—	89,059
Changes of Assumptions	—	—	—
Contributions - Employer	—	266,126	(266,126)
Contributions - Employees	—	126,861	(126,861)
Net Investment Income	—	1,678,241	(1,678,241)
Benefit Payments, Including Refunds of Employee Contributions	(404,815)	(404,815)	—
Other (Net Transfer)	—	(103,028)	103,028
Net Changes	661,100	1,563,385	(902,285)
Balances at December 31, 2021	10,923,468	11,868,933	(945,465)



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

**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, 2022, the District recognized pension revenue of \$167,348. At May 31, 2022, 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	\$ 152,353	(85,342)	67,011
Change in Assumptions	74,241	(95,973)	(21,732)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(1,233,395)	(1,233,395)
Total Expense to be Recognized in Future Periods	226,594	(1,414,710)	(1,188,116)
Contributions made Subsequent to the Measurement Date	86,893	—	86,893
 Total Deferred Amounts Related to IMRF	 313,487	 (1,414,710)	 (1,101,223)

\$86,893 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, 2023. 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
2023	\$ (241,997)
2024	(428,683)
2025	(325,759)
2026	(191,677)
2027	—
Thereafter	—
Total	<u>(1,188,116)</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

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

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

*Plan Membership.* As of September 30, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	—
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>46</u>
Total	<u><u>46</u></u>

**Total OPEB Liability**

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

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the September 30, 2021 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	2.50%
Discount Rate	2.26%
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 PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report.

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Change in the Total OPEB Liability**

	Total OPEB Liability
Balance at May 31, 2021	<u>\$ 401,822</u>
Changes for the Year:	
Service Cost	9,216
Interest on the Total OPEB Liability	8,740
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	28,546
Changes of Assumptions or Other Inputs	(95,611)
Benefit Payments	<u>(12,717)</u>
Net Changes	<u>(61,826)</u>
Balance at May 31, 2022	<u><u>339,996</u></u>

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

The discount rate used to measure the total pension liability was 2.26%, while the prior valuation used 2.21%. 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 (1.26%)	Current Discount Rate (2.26%)	1% Increase (3.26%)
Total OPEB Liability	\$ 384,315	339,996	304,229

**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	\$ 302,968	339,996	385,078

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2022**

**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, 2022, the District recognized OPEB revenue of \$43,572. At May 31, 2022, 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	4,327	—	4,327
 Total Deferred Amounts Related to OPEB	 4,327	 —	 4,327

\$4,327 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
2023	\$ —
2024	—
2025	—
2026	—
2027	—
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, 2022**

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%
2022	263,315	263,315	—	2,946,350	8.94%

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, 2022**

	<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	<u>(246,227)</u>
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%

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2014 through 2021. Changes in assumptions related to the demographics were made in 2014 and 2017.

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	12/31/2021
246,791	283,775	282,497	278,931	287,754	294,490	238,851
530,225	566,176	595,717	621,926	659,026	711,814	738,005
—	—	—	—	—	—	—
(40,030)	(170,955)	93,143	19,066	154,490	(138,054)	89,059
9,913	(20,431)	(257,979)	267,797	—	(87,869)	—
(292,792)	(257,814)	(310,642)	(413,648)	(375,269)	(377,790)	(404,815)
454,107	400,751	402,736	774,072	726,001	402,591	661,100
7,102,110	7,556,217	7,956,968	8,359,704	9,133,776	9,859,777	10,262,368
7,556,217	7,956,968	8,359,704	9,133,776	9,859,777	10,262,368	10,923,468
270,726	274,482	280,971	266,889	242,071	247,726	266,126
118,509	121,333	126,563	127,360	132,864	121,375	126,861
31,102	423,257	1,112,789	(355,049)	1,339,998	1,253,175	1,678,241
(292,792)	(257,814)	(310,642)	(413,648)	(375,269)	(377,790)	(404,815)
(237,404)	20,706	(50,158)	165,676	57,219	69,100	(103,028)
(109,859)	581,964	1,159,523	(208,772)	1,396,883	1,313,586	1,563,385
6,172,223	6,062,364	6,644,328	7,803,851	7,595,079	8,991,962	10,305,548
6,062,364	6,644,328	7,803,851	7,595,079	8,991,962	10,305,548	11,868,933
1,493,853	1,312,640	555,853	1,538,697	867,815	(43,180)	(945,465)
80.23%	83.50%	93.35%	83.15%	91.20%	100.42%	108.66 %
2,633,520	2,696,277	2,812,517	2,830,219	2,954,568	2,610,950	2,819,127
56.72%	48.68%	19.76%	54.37%	29.37%	(1.65%)	(33.54%)



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Retiree Benefit Plan**

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

**May 31, 2022**

	5/31/2019	5/31/2020	5/31/2021	5/31/2022
Total OPEB Liability				
Service Cost	\$ 9,793	9,290	9,776	9,216
Interest	4,206	5,133	3,657	8,740
Changes in Benefit Terms	—	—	—	—
Differences Between Expected and Actual				
Experience	—	(810)	433,113	28,546
Change of Assumptions or Other Inputs	(4,905)	11,639	(181,391)	(95,611)
Benefit Payments	(1,287)	(1,377)	(1,414)	(12,717)
Net Change in Total OPEB Liability	7,807	23,875	263,741	(61,826)
Total OPEB Liability - Beginning	106,399	114,206	138,081	401,822
Total OPEB Liability - Ending	114,206	138,081	401,822	339,996
Covered-Employee Payroll	2,584,442	2,645,104	2,711,232	2,786,783
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.42%	5.22%	14.82%	12.20%

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Changes of Assumptions.* Changes of assumptions related to the discount rate were made in 2019 through 2022.

**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, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,331,719	2,331,719	2,324,730
Intergovernmental			
Replacement Taxes	24,000	24,000	71,298
Investment Income	1,500	1,500	3,933
Miscellaneous	21,630	21,630	21,465
Total Revenues	<u>2,378,849</u>	<u>2,378,849</u>	<u>2,421,426</u>
Expenditures			
General Government			
Business Services	639,867	639,867	706,831
Employee Benefits	286,113	286,113	273,315
Parks and Recreation	1,161,453	1,161,453	1,273,966
Debt Service			
Interest and Fiscal Charges	101,450	101,450	101,450
Total Expenditures	<u>2,188,883</u>	<u>2,188,883</u>	<u>2,355,562</u>
Net Change in Fund Balance	<u>189,966</u>	<u>189,966</u>	65,864
Fund Balance - Beginning			<u>1,296,410</u>
Fund Balance - Ending			<u><u>1,362,274</u></u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund**

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

**For the Fiscal Year Ended May 31, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,593,080	1,593,080	1,588,306
Intergovernmental			
Grants	—	—	64,641
Charges for Services			
Program Fees	1,629,423	1,629,423	1,739,675
Rental	133,105	133,105	184,332
Investment Income	2,000	2,000	2,019
Miscellaneous	75,075	75,075	127,195
Total Revenues	3,432,683	3,432,683	3,706,168
Expenditures			
Parks and Recreation	3,630,194	3,630,194	3,932,105
Excess (Deficiency) of Revenues Over (Under) Expenditures	(197,511)	(197,511)	(225,937)
Other Financing (Uses)			
Transfers Out	(14,392)	(14,392)	(15,855)
Net Change in Fund Balance	<u>(211,903)</u>	<u>(211,903)</u>	(241,792)
Fund Balance - Beginning			<u>2,219,653</u>
Fund Balance - Ending			<u><u>1,977,861</u></u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Lakeview Fitness - Special Revenue Fund**

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

**For the Fiscal Year Ended May 31, 2022**

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	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Fitness	\$ 1,033,207	1,033,207	1,185,422
Aquatics	100,943	100,943	133,704
Miscellaneous	900	900	20,733
Total Revenues	<u>1,135,050</u>	<u>1,135,050</u>	<u>1,339,859</u>
Expenditures			
Parks and Recreation	<u>1,218,918</u>	<u>1,218,918</u>	<u>1,302,841</u>
Net Change in Fund Balance	<u>(83,868)</u>	<u>(83,868)</u>	37,018
Fund Balance - Beginning			<u>(1,361,256)</u>
Fund Balance - Ending			<u>(1,324,238)</u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Consolidated Year-End Financial Report

## **INDIVIDUAL FUND DESCRIPTIONS**

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### **GENERAL FUND**

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

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### **SPECIAL REVENUE FUNDS**

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

#### **Recreation Fund**

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

#### **Lakeview Fitness Fund**

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

#### **Special Recreation Fund**

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

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

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

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### **DEBT SERVICE FUND**

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

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## **INDIVIDUAL FUND DESCRIPTIONS**

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### **CAPITAL PROJECTS FUND**

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.

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**VERNON HILLS PARK DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual**

**For the Fiscal Year Ended May 31, 2022**

	Budget		Actual
	Original	Final	
General Government			
Business Services			
Legal Fees	\$ 20,000	20,000	10,668
Professional Fees	52,485	52,485	23,319
Contractual Services	271,003	271,003	336,554
Liability Insurance	150,272	150,272	145,045
Bank Fees and Credit Card Charges	37,860	37,860	73,984
Technology	65,910	65,910	78,334
Supplies and Safety Equipment	42,337	42,337	38,927
Total Business Services	<u>639,867</u>	<u>639,867</u>	<u>706,831</u>
Employee Benefits			
IMRF	60,535	60,535	57,747
Social Security	50,606	50,606	53,955
Health and Life Insurance	174,972	174,972	161,613
Total Employee Benefits	<u>286,113</u>	<u>286,113</u>	<u>273,315</u>
Total General Government	<u>925,980</u>	<u>925,980</u>	<u>980,146</u>
Parks and Recreation			
Salaries and Wages			
Maintenance Workers - Full-Time	628,656	628,656	621,176
Maintenance Workers - Part-Time	77,640	77,640	108,631
Services			
Clothing and Uniforms	5,725	5,725	6,507
Training and Travel	8,382	8,382	7,518
Supplies and Equipment			
Maintenance Supplies	175,700	175,700	176,782
Office Supplies	2,000	2,000	1,310
Equipment	54,820	54,820	37,553
Utilities	59,605	59,605	52,693
Repairs/Improvements	148,925	148,925	261,796
Total Parks and Recreation	<u>1,161,453</u>	<u>1,161,453</u>	<u>1,273,966</u>
Debt Service			
Interest and Fiscal Charges	101,450	101,450	101,450
Total Expenditures	<u>2,188,883</u>	<u>2,188,883</u>	<u>2,355,562</u>



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Fiscal Year Ended May 31, 2022**

	Budget		Actual
	Original	Final	
Parks and Recreation			
Administration			
Salaries and Wages	\$ 97,840	97,840	134,161
Services			
Training and Travel	18,760	18,760	14,362
Utilities	59,320	59,320	53,448
Miscellaneous	1,015	1,015	1,822
Total Administration	176,935	176,935	203,793
Employee Benefits			
IMRF	203,359	203,359	205,738
Social Security	199,785	199,785	214,932
Health and Life Insurance	502,925	502,925	524,725
Other	70,951	70,951	61,490
Total Employee Benefits	977,020	977,020	1,006,885
Programs			
Salaries and Wages			
Recreation - Full-Time	896,883	896,883	958,539
Recreation - Part-Time	391,282	391,282	383,181
Supervision - Full-Time	280,823	280,823	288,282
Customer Service - Part-Time	62,488	62,488	66,224
Services			
Contractual	90,058	90,058	81,457
Recreation Contractors	193,349	193,349	347,778
Officials	18,338	18,338	13,760
Training and Travel	1,770	1,770	1,445
Utilities	3,200	3,200	2,790
League/Tourney Fees	62,450	62,450	121,393
Supplies and Equipment			
Recreation Supplies	63,345	63,345	54,273
Clothing	7,070	7,070	10,418
Recreation Equipment	2,150	2,150	1,324
Total Programs	2,073,206	2,073,206	2,330,864

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund  
Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended May 31, 2022**

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Facilities			
Sullivan Center			
Salaries and Wages			
Maintenance Workers - Full-Time	\$ 86,597	86,597	80,289
Maintenance Workers - Part-Time	68,190	68,190	29,439
Services			
Contractual	24,319	24,319	46,401
Utilities	67,183	67,183	81,077
Supplies and Equipment			
Building Supplies	1,150	1,150	409
Custodial Supplies	13,000	13,000	5,324
Repairs and Maintenance			
Equipment	10,000	10,000	19,493
Building and Grounds Improvements	8,500	8,500	13,317
Total Sullivan Center	278,939	278,939	275,749
Hartmann Pavilion			
Contractual	1,310	1,310	1,669
Utilities	3,555	3,555	4,172
Building Supplies	310	310	228
Building and Grounds Improvements	2,650	2,650	4,175
Total Hartmann Pavilion	7,825	7,825	10,244
Century Park Pavilion			
Wages - Part-Time	720	720	1,167
Services			
Contractual	1,400	1,400	1,203
Utilities	4,656	4,656	4,830
Building Supplies	465	465	522
Building and Grounds Improvements	5,450	5,450	9,788
Total Century Park Pavilion	12,691	12,691	17,510

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund**

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

**For the Fiscal Year Ended May 31, 2022**

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	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Facilities - Continued			
SRACLC Building			
Building and Grounds Improvements	\$ 1,260	1,260	6,205
Total Facilities	<u>300,715</u>	<u>300,715</u>	<u>309,708</u>
Marketing			
Contractual	36,443	36,443	33,042
Supplies and Equipment			
Postage	10,350	10,350	8,165
Promotional	55,525	55,525	39,648
Total Marketing	<u>102,318</u>	<u>102,318</u>	<u>80,855</u>
Total Expenditures	<u>3,630,194</u>	<u>3,630,194</u>	<u>3,932,105</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Lakeview Fitness - Special Revenue Fund  
Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended May 31, 2022**

	Budget		Actual
	Original	Final	
Parks and Recreation			
Fitness			
Salaries and Wages			
Maintenance Workers	\$ 173,297	173,297	246,735
Personal Trainers	39,000	39,000	20,974
Fitness Instructors	88,000	88,000	80,235
Employee Benefits			
Social Security	—	—	(1,015)
Services			
Contractual	52,487	52,487	54,365
Professional Services	4,876	4,876	—
Special Events	850	850	664
Utilities	118,272	118,272	131,240
Supplies and Equipment			
Office Supplies	1,350	1,350	1,436
Office Equipment	250	250	—
Other Supplies/Equipment	27,471	27,471	34,535
Fitness Equipment	2,150	2,150	3,033
Building Supplies	1,880	1,880	581
Custodial Supplies	18,000	18,000	23,261
Repairs and Maintenance			
Equipment	15,300	15,300	17,494
Buildings and Grounds Improvement	3,000	3,000	1,708
Total Fitness	546,183	546,183	615,246
Childcare			
Salaries and Wages			
Supervision	94,716	94,716	99,756
Childcare Teachers	379,912	379,912	395,210
Services			
Contractual	2,285	2,285	1,900
Supplies and Equipment			
Childcare Supplies	7,310	7,310	5,264
Equipment	4,500	4,500	3,188
Lunch Supplies	26,158	26,158	24,104
Food Supplies	12,420	12,420	11,247
Total Childcare	527,301	527,301	540,669

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Lakeview Fitness - Special Revenue Fund  
 Schedule of Expenditures - Budget and Actual - Continued  
 For the Fiscal Year Ended May 31, 2022**

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Aquatics			
Salaries and Wages			
Supervision	\$ 15,007	15,007	13,747
Swim Instructors	34,068	34,068	43,918
Lifeguards	51,492	51,492	37,301
Services			
Contractual	8,050	8,050	5,186
Lifeguard Training	3,600	3,600	1,968
Swim Meet Expenditures	6,855	6,855	11,603
Supplies and Equipment			
Swim Meet Supplies	700	700	1,851
Swim Lesson Supplies	250	250	200
Pool Supplies	16,312	16,312	15,830
Clothing	500	500	107
Repairs and Maintenance			
Equipment	200	200	3,936
Buildings and Ground Improvements	8,400	8,400	11,279
Total Aquatics	145,434	145,434	146,926
Total Expenditures	1,218,918	1,218,918	1,302,841

**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, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,114,195	1,114,195	1,110,855
Investment Income	100	100	438
Total Revenues	<u>1,114,295</u>	<u>1,114,295</u>	<u>1,111,293</u>
Expenditures			
Debt Service			
Principal Retirement	1,656,321	1,656,321	1,656,321
Interest and Fiscal Charges	126,312	126,312	127,822
Total Expenditures	<u>1,782,633</u>	<u>1,782,633</u>	<u>1,784,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(668,338)</u>	<u>(668,338)</u>	<u>(672,850)</u>
Other Financing Sources (Uses)			
Debt Issuance	1,129,500	1,129,500	1,113,155
Transfers Out	(460,000)	(460,000)	(460,000)
	<u>669,500</u>	<u>669,500</u>	<u>653,155</u>
Net Change in Fund Balance	<u>1,162</u>	<u>1,162</u>	(19,695)
Fund Balance - Beginning			<u>267,891</u>
Fund Balance - Ending			<u>248,196</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Capital - Capital Projects Fund**

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

**For the Fiscal Year Ended May 31, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ —	500,000	425,975
Investment Income	1,200	1,200	2,968
Miscellaneous			
Developer Contributions	2,049,600	2,049,600	2,432,743
Total Revenues	<u>2,050,800</u>	<u>2,550,800</u>	<u>2,861,686</u>
Expenditures			
Capital Outlay	<u>934,400</u>	<u>1,684,400</u>	<u>1,773,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,116,400	866,400	1,087,842
Other Financing Sources			
Transfers In	<u>509,000</u>	<u>509,000</u>	<u>460,000</u>
Net Change in Fund Balance	<u>1,625,400</u>	<u>1,375,400</u>	1,547,842
Fund Balance - Beginning			<u>950,195</u>
Fund Balance - Ending			<u>2,498,037</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Nonmajor Governmental - Special Revenue Funds  
Combining Balance Sheet  
May 31, 2022**

	Special Recreation	Family Aquatic Center	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 121,106	—	121,106
Receivables - Net of Allowance			
Property Taxes	483,720	—	483,720
Total Assets	604,826	—	604,826
<b>LIABILITIES</b>			
Accounts Payable	—	15,716	15,716
Accrued Payroll	1,008	2,269	3,277
Other Payables	—	5,627	5,627
Due to Other Funds	—	541,832	541,832
Total Liabilities	1,008	565,444	566,452
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	507,099	—	507,099
Total Liabilities and Deferred Inflows of Resources	508,107	565,444	1,073,551
<b>FUND BALANCES</b>			
Restricted	96,719	—	96,719
Unassigned	—	(565,444)	(565,444)
Total Fund Balances	96,719	(565,444)	(468,725)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	604,826	—	604,826



**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, 2022**

	Special Recreation	Family Aquatic Center	Totals
Revenues			
Taxes	\$ 480,787	—	480,787
Charges for Services	—	51,030	51,030
Total Revenues	480,787	51,030	531,817
Expenditures			
Parks and Recreation	476,687	198,354	675,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,100	(147,324)	(143,224)
Other Financing Sources			
Transfers In	—	15,855	15,855
Net Change in Fund Balances	4,100	(131,469)	(127,369)
Fund Balances - Beginning	92,619	(433,975)	(341,356)
Fund Balances - Ending	96,719	(565,444)	(468,725)

**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, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 482,233	482,233	480,787
Investment Income	100	100	—
Total Revenues	<u>482,333</u>	<u>482,333</u>	<u>480,787</u>
Expenditures			
Park and Recreation			
Special Recreation Services	479,509	479,509	476,687
Net Change in Fund Balance	<u>2,824</u>	<u>2,824</u>	4,100
Fund Balance - Beginning			<u>92,619</u>
Fund Balance - Ending			<u>96,719</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Family Aquatic Center - Special Revenue Fund**

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

**For the Fiscal Year Ended May 31, 2022**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Aquatic Center Fees	\$ 123,510	123,510	48,780
Rental Income	—	—	750
Concessions	500	500	1,500
Total Revenues	<u>124,010</u>	<u>124,010</u>	<u>51,030</u>
Expenditures			
Parks and Recreation			
Aquatics Center	<u>219,666</u>	<u>219,666</u>	<u>198,354</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,656)	(95,656)	(147,324)
Other Financing Sources			
Transfers In	<u>14,392</u>	<u>14,392</u>	<u>15,855</u>
Change in Net Position	<u>(81,264)</u>	<u>(81,264)</u>	(131,469)
Fund Balance - Beginning			<u>(433,975)</u>
Net Position - Ending			<u>(565,444)</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Family Aquatic Center - Special Revenue Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Fiscal Year Ended May 31, 2022**

	Budget		Actual
	Original	Final	
Parks and Recreation			
Aquatic Center			
Salaries and Wages			
Customer Service	\$ 4,050	4,050	8,761
Lifeguards	65,601	65,601	65,409
Supervision	9,477	9,477	11,149
Contractual Services	11,240	11,240	10,406
Utilities	60,575	60,575	22,744
Supplies and Equipment			
Pool Supplies	3,300	3,300	1,771
Pool Chemicals	22,173	22,173	24,040
Repairs and Maintenance			
Equipment	5,750	5,750	11,634
Building and Grounds Improvements	37,500	37,500	42,440
Total Expenditures	219,666	219,666	198,354

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Consolidated Year-End Financial Report  
May 31, 2022**

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CSFA #	Program Name	State	Federal	Other	Total
422-11-1165	Park and Recreational Facility Construction	\$ 425,975	—	425,975	851,950
	Other Grant Programs and Activities	—	—	64,641	64,641
	All Other Costs Not Allocated	—	—	8,827,463	8,827,463
	Totals	425,975	—	9,318,079	9,744,054

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## **SUPPLEMENTAL SCHEDULES**

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

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

**May 31, 2022**

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Date of Issue	May 23, 2013
Date of Maturity	December 15, 2022
Authorized Issue	\$4,000,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 3.00%
Interest 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
2023	<u>\$ 465,000</u>	<u>13,950</u>	<u>478,950</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

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

**May 31, 2022**

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
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
	6,000,000	1,163,736	7,163,736



**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Limited Tax Park Bonds of 2021**

**May 31, 2022**

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Date of Issue	December 2, 2021
Date of Maturity	December 1, 2022
Authorized Issue	\$1,113,155
Denomination of Bonds	\$100,000
Interest Rate	0.49%
Interest Date	December 1
Principal Maturity Date	December 1
Payable to	State Bank

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

Fiscal Year	Principal	Interest	Totals
2023	<u>\$ 1,113,155</u>	<u>5,439</u>	<u>1,118,594</u>

## **STATISTICAL SECTION (Unaudited)**

This part of the annual comprehensive 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, 2022 (Unaudited)**

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**See Following Page**

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years  
May 31, 2022 (Unaudited)**

	2013	2014	2015
<b>Governmental Activities</b>			
Net Investment in Capital Assets	\$ 16,530,249	17,396,402	18,071,739
Restricted	476,022	394,452	351,716
Unrestricted	1,925,030	3,078,930	3,372,563
<b>Total Governmental Activities Net Position</b>	<b>18,931,301</b>	<b>20,869,784</b>	<b>21,796,018</b>
<b>Business-Type Activities</b>			
Net Investment in Capital Assets	—	—	—
Unrestricted	—	—	—
<b>Total Business-Type Activities Net Position</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Primary Government</b>			
Net Investment in Capital Assets	16,530,249	17,396,402	18,071,739
Restricted	476,022	394,452	351,716
Unrestricted	1,925,030	3,078,930	3,372,563
<b>Total Primary Government Net Position</b>	<b>18,931,301</b>	<b>20,869,784</b>	<b>21,796,018</b>

Data Source: Audited Financial Statements

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

2016	2017	2018	2019*	2020	2021	2022
21,807,207	22,503,763	23,818,815	24,235,627	36,583,247	41,240,643	41,593,076
383,970	356,095	408,730	387,678	256,250	262,083	255,799
1,014,821	882,308	1,208,381	(484,683)	716,267	719,136	2,601,182
23,205,998	23,742,166	25,435,926	24,138,622	37,555,764	42,221,862	44,450,057
—	—	—	1,779,285	—	—	—
—	—	—	(499,249)	—	—	—
—	—	—	1,280,036	—	—	—
21,807,207	22,503,763	23,818,815	26,014,912	36,583,247	41,240,643	41,593,076
383,970	356,095	408,730	387,678	256,250	262,083	255,799
1,014,821	882,308	1,208,381	(983,932)	716,267	719,136	2,601,182
23,205,998	23,742,166	25,435,926	25,418,658	37,555,764	42,221,862	44,450,057

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years\*  
May 31, 2022 (Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities										
General Government	\$ —	—	—	—	—	—	2,348,818	1,332,130	1,337,752	1,066,203
Recreation	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	8,464,841
Interest and Fiscal Charges	85,430	128,635	118,159	91,546	258,625	257,924	264,494	254,213	229,678	213,010
Total Governmental Activities Expenses	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	9,744,054
Business-Type Activities										
Kindergarten Building	—	—	—	—	—	—	—	—	—	—
Total Primary Government Expenses	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	9,744,054
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services	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	3,314,896
Operating Grants and Contributions	—	—	—	1,973,528	507,162	1,131,353	473,605	—	383,228	64,641
Capital Grants and Contributions	31,150	33,541	23,739	—	—	—	—	—	—	425,975.00
Total Governmental Activities Program Revenues	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	3,805,512
Business-Type Activities										
Kindergarten Building	—	—	—	—	—	—	536,128	—	—	—
Total Primary Government Program Revenues	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	3,805,512

	2103	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	\$ (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)	(5,938,542)
Business-Type Activities	—	—	—	—	—	—	536,128	—	—	—
Total Primary Government Net Revenue (Expense)	(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)	(5,938,542)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	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	5,504,678
Intergovernmental	22,946	24,048	25,171	23,173	25,741	27,511	23,301	25,505	32,352	71,298
Investment Income	14,374	21,271	12,677	21,430	25,468	51,990	104,351	83,708	58,060	9,358
Miscellaneous	171,284	897,262	712,787	65,904	66,396	887,964	49,170	466,563	396,562	2,581,403
Transfers	—	—	—	—	—	—	—	1,280,036	—	—
Total Governmental Activities	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	8,166,737
Business-Type Activities	—	—	—	—	—	—	—	(1,280,036)	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
Total Primary Government	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	8,166,737
Changes in Net Position										
Governmental Activities	1,068,617	1,937,483	926,188	2,010,537	526,168	1,693,760	(549,537)	13,047,835	4,666,098	2,228,195
Business-Type Activities	—	—	—	—	—	—	536,128	(1,280,036)	—	—
Total Primary Government Change in Net Position	1,068,617	1,937,483	926,188	2,010,537	526,168	1,693,760	(13,409)	11,767,799	4,666,098	2,228,195

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, 2022 (Unaudited)**

	2013	2014	2015
General Fund			
Nonspendable	\$ —	—	—
Unassigned	494,771	567,448	867,383
Total General Fund	<u>494,771</u>	<u>567,448</u>	<u>867,383</u>
All Other Governmental Funds			
Unreserved, Reported in:			
Nonspendable	—	—	—
Restricted	499,522	441,605	397,895
Committed		1,411,406	1,439,814
Assigned	875,688	1,757,919	1,832,436
Unassigned	(384,652)	(495,967)	(588,747)
Total All Other Governmental Funds	<u>990,558</u>	<u>3,114,963</u>	<u>3,081,398</u>
Total Governmental Funds	<u><u>1,485,329</u></u>	<u><u>3,682,411</u></u>	<u><u>3,948,781</u></u>

Data Source: Audited Financial Statements

\*Modified Accrual Basis of Accounting



2016	2017	2018	2019	2020	2021	2022
3,345	8,984	3,534	2,470	1,042	3,406	3,949
1,064,219	924,990	1,129,073	758,570	1,038,805	1,293,004	1,358,325
1,067,564	933,974	1,132,607	761,040	1,039,847	1,296,410	1,362,274
—	—	6,061	8,714	—	—	—
383,973	356,095	408,730	387,678	365,121	360,510	344,915
1,779,946	1,971,169	2,245,656	—	—	—	—
657,474	748,671	1,433,858	3,784,749	3,254,780	3,169,848	4,475,898
(560,417)	(633,621)	(838,531)	(1,153,053)	(1,555,523)	(1,795,231)	(1,889,682)
2,260,976	2,442,314	3,255,774	3,028,088	2,064,378	1,735,127	2,931,131
3,328,540	3,376,288	4,388,381	3,789,128	3,104,225	3,031,537	4,293,405

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years\***  
**May 31, 2022 (Unaudited)**

	2013	2014	2015
<b>Revenues</b>			
Taxes	\$ 5,334,113	5,446,745	4,598,612
Intergovernmental	31,150	33,541	23,739
Charges for Services	2,469,473	3,752,563	4,073,236
Investment Income	14,374	21,271	12,677
Miscellaneous	171,284	400,143	138,718
<b>Total Revenues</b>	<b>8,020,394</b>	<b>9,654,263</b>	<b>8,846,982</b>
<b>Expenditures</b>			
General Government	2,064,435	2,066,693	1,843,749
Parks and Recreation	4,074,710	5,065,796	5,709,003
Capital Outlay	2,034,399	4,421,762	512,104
<b>Debt Service</b>			
Principal Retirement	1,840,000	1,880,000	1,387,285
Interest and Fiscal Charges	86,106	86,106	119,134
<b>Total Expenditures</b>	<b>10,099,650</b>	<b>13,520,357</b>	<b>9,571,275</b>
Excess of Revenues Over (Under) Expenditures	(2,079,256)	(3,866,094)	(724,293)
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	2,025,000	4,977,285	990,663
Premium on Bonds	—	—	—
Transfers In	—	—	—
Transfers Out	—	—	—
	2,025,000	4,977,285	990,663
<b>Net Change in Fund Balances</b>	<b>(54,256)</b>	<b>1,111,191</b>	<b>266,370</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>			
	46.16%	18.22%	18.90%

Data Source: Audited Financial Statements

\*Modified Accrual Basis of Accounting

2016	2017	2018	2019	2020	2021	2022
4,691,273	4,923,723	4,836,267	5,008,603	5,071,142	5,408,419	5,504,678
1,635,914	341,294	891,562	135,396	12,705,913	5,577,050	561,914
4,807,978	4,880,872	4,864,241	4,680,777	3,729,192	1,814,272	3,314,896
21,430	35,468	51,990	104,351	83,708	58,060	9,358
577,187	258,005	1,148,315	387,379	412,060	396,562	2,581,403
11,733,782	10,439,362	11,792,375	10,316,506	22,002,015	13,254,363	11,972,249
2,014,117	1,923,598	2,170,447	775,194	981,873	898,561	980,146
6,026,506	6,213,961	6,441,636	7,875,430	7,288,804	5,678,187	7,183,953
3,598,768	7,764,738	1,489,144	1,572,066	13,189,849	5,987,100	1,773,844
1,524,166	1,422,880	1,439,810	1,464,205	1,570,416	1,608,421	1,656,321
95,007	182,455	258,450	270,730	271,369	247,072	229,272
13,258,564	17,507,632	11,799,487	11,957,625	23,302,311	14,419,341	11,823,536
(1,524,782)	(7,068,270)	(7,112)	(1,641,119)	(1,300,296)	(1,164,978)	148,713
904,528	7,004,810	1,019,205	1,031,385	1,059,390	1,092,290	1,113,155
—	111,208	—	—	—	—	—
488,000	708,880	332,000	873,595	392,208	500,000	475,855
(488,000)	(708,880)	(332,000)	(873,595)	(891,457)	(500,000)	(475,855)
904,528	7,116,018	1,019,205	1,031,385	560,141	1,092,290	1,113,155
(620,254)	47,748	1,012,093	(609,734)	(740,155)	(72,688)	1,261,868
14.81%	14.57%	14.39%	15.50%	17.59%	20.94%	18.62%

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Tax Levy Years  
May 31, 2022 (Unaudited)**

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Tax Levy Year	Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Equalized Assessed Value as a Percentage of Actual Value
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%
2021	1,267,747,514	0.4457	3,803,242,542	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, 2022 (Unaudited)**

Taxing Body	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Direct Rates</b>										
Corporate	0.1890	0.2040	0.2079	0.2029	0.1930	0.1918	0.1891	0.1825	0.1832	0.1795
Recreation	0.1120	0.1210	0.1243	0.1205	0.1141	0.1112	0.1145	0.1134	0.1251	0.1372
Special Recreation	0.0190	0.0240	0.0251	0.0400	0.0235	0.0259	0.0204	0.0400	0.0379	0.0400
Bonds and Interest	0.1760	0.0960	0.0977	0.0944	0.0888	0.0874	0.0870	0.0843	0.0875	0.0891
<b>Total District Rates</b>	<b>0.4960</b>	<b>0.4450</b>	<b>0.4550</b>	<b>0.4578</b>	<b>0.4194</b>	<b>0.4163</b>	<b>0.4110</b>	<b>0.4202</b>	<b>0.4337</b>	<b>0.4458</b>
<b>Overlapping Governments</b>										
Lake County	0.6080	0.6630	0.6830	0.6630	0.6320	0.6220	0.6120	0.5968	0.5980	0.5977
Village of Mundelein	N/A	N/A	N/A	1.5710	1.5630	1.5590	1.4194	1.4425	1.4605	1.4700
Lake County Forest Preserve District	0.2120	0.2190	0.2100	0.2080	0.1930	0.1870	0.1820	0.1798	0.1818	0.1789
Libertyville Township	0.1220	0.1310	0.1340	0.1310	0.1240	0.1220	0.1220	0.1227	0.1266	0.0670
Vernon Township	0.0600	0.0650	0.0663	0.0644	0.0611	0.0564	N/A	0.0564	N/A	0.0951
Central Lake County JAWA	0.0520	0.0550	0.0560	0.0540	0.0460	0.0410	N/A	N/A	N/A	N/A
Countryside Fire Protection District	0.5520	0.5970	0.6130	0.5990	0.5670	0.5620	0.5640	0.5595	0.5961	0.6101
Lincolnshire-Riverwoods Fire Protection District	N/A	N/A	N/A	0.7480	0.7470	0.7470	0.7511	0.7467	N/A	0.8179
Cook County Memorial Library District	0.2820	0.3030	0.3120	0.3040	0.2890	0.2840	0.2840	0.2834	0.2857	0.2914
Vernon Area Library District	N/A	N/A	N/A	0.3080	0.2930	0.2910	0.2939	0.2909	0.4337	0.3123
School District No. 73	3.6780	3.9970	4.1180	4.0330	3.8710	3.8250	3.8470	3.7402	3.3814	3.9162
School District No. 76	N/A	N/A	N/A	4.8710	4.6800	4.5670	4.5799	4.5670	4.5969	4.6222
School District No. 96	N/A	N/A	N/A	3.8700	3.6900	3.6550	3.7166	3.6955	3.9360	4.0316
School District No. 103	N/A	N/A	N/A	3.0240	2.8770	2.8700	2.8884	0.3848	3.0800	3.1800
High School District No. 120	N/A	N/A	N/A	2.7710	2.6200	2.5520	2.5431	2.5524	2.5115	2.4829
High School District No. 125	N/A	N/A	N/A	3.0040	2.8580	2.8620	2.5021	2.8618	2.9831	3.0923
High School District No. 128	2.5800	2.9190	2.6870	2.7320	2.5320	2.4940	2.5020	2.5125	2.6034	2.6737
Community College District No. 532	0.2720	0.2960	0.3060	0.2990	0.2850	0.2810	0.2820	0.2815	0.2897	0.2935
<b>Total Overlapping Rates</b>	<b>8.4180</b>	<b>9.2450</b>	<b>9.1853</b>	<b>29.2544</b>	<b>27.9281</b>	<b>27.5774</b>	<b>27.0895</b>	<b>24.8744</b>	<b>27.0644</b>	<b>28.7328</b>
<b>Total Tax Rates</b>	<b>8.9140</b>	<b>9.6900</b>	<b>9.6403</b>	<b>29.7122</b>	<b>28.3475</b>	<b>27.9937</b>	<b>27.5005</b>	<b>25.2946</b>	<b>27.4981</b>	<b>29.1786</b>

Data Source: Lake County Clerk

Note: Representative tax rate is for Libertyville Township Tax Code 11-012, which represents the largest portion of the District's total 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, 2022 (Unaudited)**

Taxpayer	Rank	2022		Rank	2013	
		Taxable Assessed Value	Taxable Assessed Valuation		Taxable Assessed Value	Taxable Assessed Valuation
Westfield Shoppingtown Hawthorn	1	\$ 25,891,972	2.04%	1	\$ 20,431,765	1.86%
MFREVF III Vernon Hills LLC	2	19,670,724	1.55%			
Melody Farm LLC	3	18,564,400	1.46%			
Azure Partners LLC	4	17,362,432	1.37%			
Inland Rivertree Court, LLC	5	8,333,294	0.66%			
CDW Computer Centers Inc	6	8,234,614	0.65%	5	9,249,573	0.84%
Hawthorn Hill Square 1687 LLC	7	8,110,099	0.64%			
Menard, Inc	8	6,143,351	0.48%			
FPA/WC Commons LLC	9	5,979,002	0.47%			
Dfair Acquisitions LLC	10	5,691,646	0.45%			
Westfield Shoppingtown Hawthorn						
Van Vlissingen & Co.				2	15,086,143	1.38%
Inland Real Estate				3	12,975,289	1.18%
Museum Gardens II LLC Development				4	11,972,187	1.09%
Hawthorn Hills				6	8,715,430	0.75%
PAC/SIB LLC				7	6,920,114	0.63%
VHTC Lot 3 LLC				8	5,966,191	0.54%
Walmart Stores Inc.				9	5,660,676	0.52%
Leahy Vernon Hills Development				10	5,601,748	0.51%
Totals		<u>123,981,534</u>	<u>9.77%</u>		<u>102,579,116</u>	<u>9.30 %</u>

Data Source: Office of the County Clerk

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Tax Levy Years  
May 31, 2022 (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
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	108,805	2.20%
2016	4,840,637	135,396	2.80%	4,700,872	4,836,268	99.91%
2017	4,987,201	543,166	10.89%	4,984,970	5,528,136	110.85%
2018	5,046,118	511	0.01%	5,045,607	5,046,118	100.00%
2019	5,430,228	238,542	4.39%	5,198,328	5,436,870	100.12%
2020	5,521,229	210,090	3.81%	5,311,139	5,521,229	100.00%
2021	5,650,771	260,525	4.61%	—	260,525	4.61%

Data Source: Office of the County Clerk

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
May 31, 2022 (Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Intergovernmental Loan			
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	8,120,695	672,244	8,792,939	0.66%	327.5
2022	7,654,609	588,213	8,242,822	0.62%	307.0

(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, 2022 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available For Debt Service	Totals	Estimated Actual Taxable Value of Property (1)	Per Capita (2)
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	8,120,695	169,464	7,951,231	0.62%	296.1
2022	7,654,609	159,080	7,495,529	0.59%	279.2

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, 2022 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to District (2) (3)	District's Share of Debt
<b>Direct</b>			
Vernon Hills Park District	\$ 8,242,822	100.00%	\$ 8,242,822
<b>Overlapping Debt (1)</b>			
Lake County	137,310,000	4.70%	6,453,570
Lake County Forest Preserve	181,868,000	4.70%	8,547,796
Village of Vernon Hills	30,305,000	100.00%	30,305,000
Unit School District #73	78,751,133	67.48%	53,141,265
Unit School District #76	10,025,000	25.47%	2,553,368
Unit School District #103	6,595,000	20.43%	1,347,359
High School District #120	7,165,000	1.01%	72,367
High School District #125	47,840,000	9.17%	4,386,928
Community College District #532	90,210,000	4.93%	4,447,353
Mundelein Park District	2,375,000	0.001%	24
Countryside Fire Protection District	860,000	62.80%	540,080
Total Overlapping Bonded Debt	<u>593,304,133</u>		<u>111,795,110</u>
Total Direct and Overlapping Debt	<u><u>601,546,955</u></u>		<u><u>120,037,932</u></u>

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, 2022 (Unaudited)**

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**See Following Page**

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Legal Debt Margin Information - Last Ten Fiscal Years  
May 31, 2022 (Unaudited)**

	2013	2014	2015	2016
Equalized Assessed Valuation	\$ 1,096,575,508	1,037,740,575	1,034,209,066	1,079,105,866
Bonded Debt Limit - 8.625% of Assessed Value	31,526,546	29,835,042	29,733,511	31,024,294
Total Net Debt Applicable to Limit	1,880,000	977,285	990,660	997,880
Legal Debt Margin	29,646,546	28,857,757	28,742,851	30,026,414
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.34 %	3.39 %	3.45 %	3.32 %
Non-Referendum Legal Debt Limit .575% of Assessed Value	6,305,309	5,967,008	5,946,702	6,204,859
Amount of Debt Applicable to Limit	1,880,000	977,285	990,660	997,880
Legal Debt Margin	4,425,309	4,989,723	4,956,042	5,206,979
Percentage of Legal Debt Margin to Bonded Debt Limit	29.82 %	16.38 %	16.66 %	16.08 %

Data Source: District Records

2017	2018	2019	2020	2021	2022
1,154,068,636	1,198,394,088	1,227,876,585	1,292,111,520	1,272,987,913	1,267,747,514
33,179,473	34,453,830	35,301,452	37,148,206	36,598,402	36,447,741
1,004,810	1,019,205	1,031,385	1,059,390	1,092,290	1,113,155
32,174,663	33,434,625	34,270,067	36,088,816	35,506,112	35,334,586
3.12 %	3.05 %	3.01 %	2.94 %	3.08 %	3.15 %
6,635,895	6,890,766	7,060,290	7,429,641	7,319,680	7,289,548
1,004,810	1,019,205	1,031,385	1,059,390	1,092,290	1,113,155
5,631,085	5,871,561	6,028,905	6,370,251	6,227,390	6,176,393
15.14 %	14.79 %	14.61 %	14.26 %	14.92 %	15.27 %

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value	<u>\$ 1,267,747,514</u>
Bonded Debt Limit - 2.875% of Assessed Value	36,447,741
Amount of Debt Applicable to Limit	<u>1,113,155</u>
Legal Debt Margin	<u>35,334,586</u>

**VERNON HILLS PARK DISTRICT, ILLINOIS**

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

**May 31, 2022 (Unaudited)**

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Fiscal Year	Population	Personal Income (In Thousands of Dollars)	Per Capita Personal Income	Unemployment Rate
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%
2022	26,850	1,330,149	49,540	3.10%

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

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Principal Employers - Prior Fiscal Year and Nine Fiscal Years Ago  
May 31, 2022 (Unaudited)**

Employer	2021		2012	
	Rank	% of Total District Population	Rank	% 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, 2022 (Unaudited)**

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Function/Program	2013	2014	2015	2016
Full-Time Employees	42	44	46	50

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Data Source: District Records



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2017	2018	2019	2020	2021	2022
50	50	50	46	45	47

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**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
May 31, 2022 (Unaudited)**

Fiscal Year	2013	2014	2015
Parks and Facilities			
Parks			
Number	23	23	23
Acres	453	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	1
Lakes/Ponds	7	7	7
Neighborhood Center	1	1	1
Outdoor Skating Rinks	1	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	2	2	2
Tennis Courts	12	12	12
Volleyball Courts	6	6	6
Pickleball Courts	—	—	—

Data Source: District Records

2016	2017	2018	2019	2020	2021	2022
23	23	23	23	23	23	24
453	453	453	453	453	453	435
19	19	19	19	23	23	23
7	7	7	7	6	6	6
12	12	12	12	10	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	9	9	9
1	1	1	1	1	1	1
4	4	4	4	4	2	1
32	32	32	32	33	33	33
24	24	24	24	24	24	25
1	1	1	1	1	1	2
1	1	1	1	1	1	1
5	5	5	5	9	9	9
2	2	2	2	2	2	2
12	12	12	12	10	12	12
6	6	6	6	6	6	6
—	—	—	6	6	8	8

**VERNON HILLS PARK DISTRICT, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
May 31, 2022 (Unaudited)**

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Function	2013	2014	2015
Recreation			
Carrying Amount of Capital Assets	20,433,191	23,901,568	23,606,211

Source: District Records

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2016	2017	2018	2019	2020	2021	2022
26,157,919	32,456,415	32,658,725	33,229,379	45,142,992	49,361,338	49,247,685