

VERNON HILLS PARK DISTRICT, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
MAY 31, 2023

635 N. Aspen Drive
Vernon Hills, Illinois 60061
Phone: 847.996.6800
Fax: 847.996.6928
www.vhparkdistrict.org

VERNON HILLS PARK DISTRICT, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED MAY 31, 2023

**Prepared by:
Business Office**

VERNON HILLS PARK DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Principal Officials	1
Organization Chart	2
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	6

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	9
-------------------------------------	-------------------

MANAGEMENT'S DISCUSSION AND ANALYSIS	13
---	--------------------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	23
Statement of Activities	25
Fund Financial Statements	
Balance Sheet - Governmental Funds	27
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities	33
Notes to Financial Statements	34

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	63
Schedule of Changes in the Employer's Net Pension Liability/(Asset)	
Illinois Municipal Retirement Fund	64
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Benefit Plan	66
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	68
Recreation - Special Revenue Fund	69
Lakeview Fitness - Special Revenue Fund	70
Special Recreation - Special Revenue Fund	71

VERNON HILLS PARK DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

OTHER SUPPLEMENTARY INFORMATION

Schedule of Expenditures - Budget and Actual - General Fund	75
Schedule of Expenditures - Budget and Actual - Recreation - Special Revenue Fund	76
Schedule of Expenditures - Budget and Actual - Lakeview Fitness - Special Revenue Fund	79
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Bond - Debt Service Fund	81
Capital Fund	82
Family Aquatic Center - Special Revenue Fund	83
Schedule of Expenditures - Budget and Actual - Family Aquatic Center - Special Revenue Fund	84
Consolidated Year-End Financial Report	85
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	86

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
General Obligation (Alternate Revenue Source) Park Bonds of 2016A	89
General Obligation Limited Tax Park Bonds of 2022	90
General Obligation (Alternate Revenue Source) Park Bonds of 2023A	91

STATISTICAL SECTION (Unaudited)

Net Position by Component - Last Ten Fiscal Years	94
Changes in Net Position - Last Ten Fiscal Years	96
Fund Balances of Governmental Funds - Last Ten Fiscal Years	98
Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years	100
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Tax Levy Years	102
Property Tax Rates (Per \$100 of EAV) Direct and Overlapping Governments	
Last Ten Tax Levy Years	103
Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago	104
Property Tax Levies and Collections - Last Ten Fiscal Years	105
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	106

VERNON HILLS PARK DISTRICT, ILLINOIS

TABLE OF CONTENTS

PAGE

STATISTICAL SECTION (Unaudited) - Continued

Ratio of General Bonded Debt Outstanding- Last Ten Fiscal Years	107
Schedule of Direct and Overlapping Governmental Activities Debt	108
Legal Debt Margin Information - Last Ten Fiscal Years	110
Demographic and Economic Statistics - Last Ten Fiscal Years	112
Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago	113
Full-Time Equivalent District Employees by Function - Last Ten Fiscal Years	114
Operating Indicators by Function/Program - Last Ten Fiscal Years	116
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	118

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, 2023

BOARD OF PARK COMMISSIONERS

David Doerhoefer, President

Carol Sente, Vice President

Janice Giraldo, Commissioner

Abra Jacobs, Commissioner

Bruce Robbins, Commissioner

ADMINISTRATIVE

Jeff Fougrousse, Executive Director

Jessica Mitchell, Superintendent of Finance and Human Resources

Tom Ritter, Superintendent of Recreation/ADA Compliance Officer

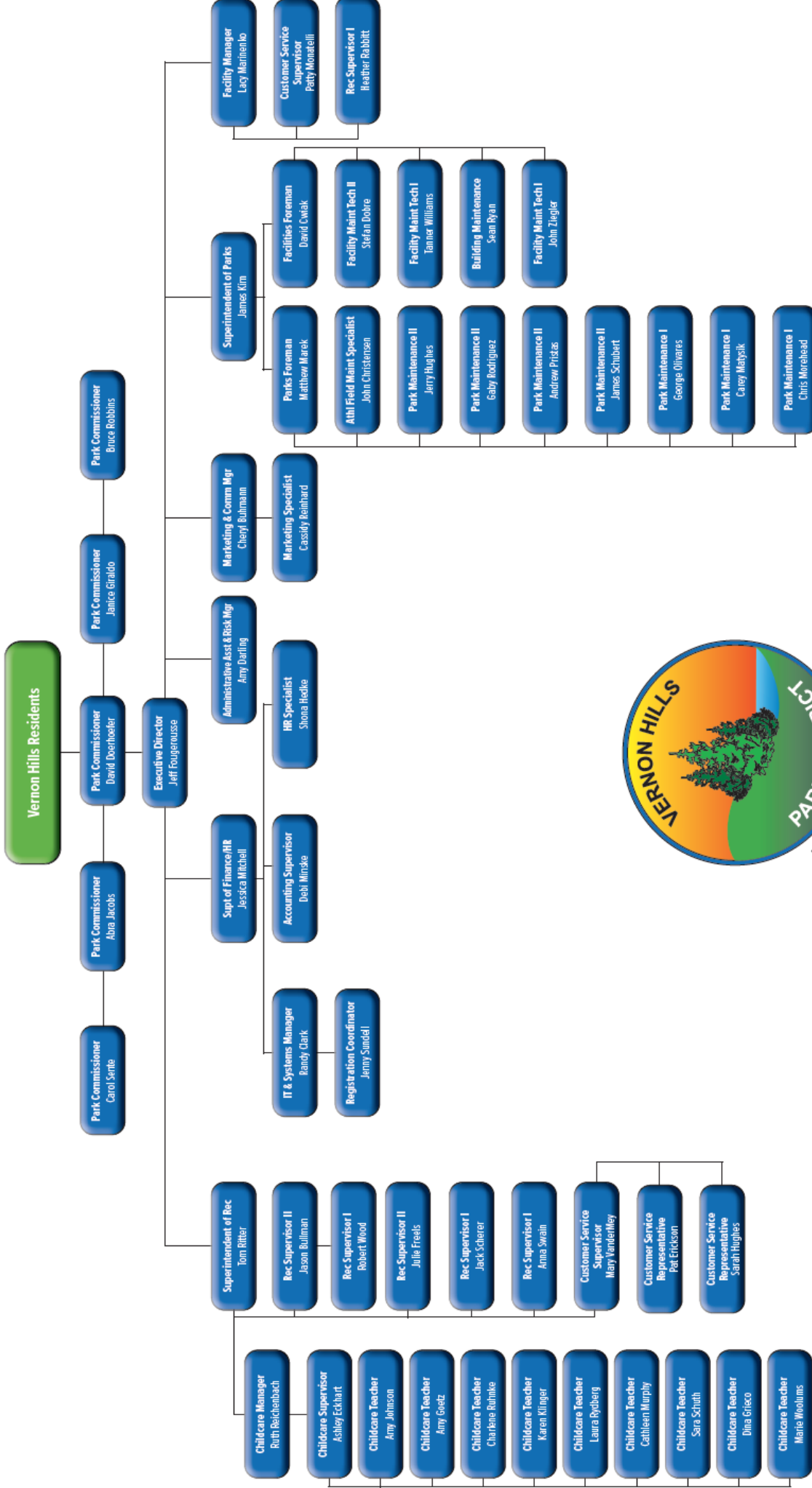
James Kim, Superintendent of Parks

Cheryl Buhmann, Marketing and Communications Manager

Lacy Marinenko, Facility Manager

Vernon Hills Park District Organizational Chart

Updated July 2023



Addressing the lifelong leisure needs of all Vernon Hills residents.



October 10, 2023

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, 2023, 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 center and 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, facility rentals, as well as park and trail maintenance.

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 26,850 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, Mellody Farm, the Arborthheater and the Vernon Hills Athletic Complex.



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 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 2023 year included Lakeview Fitness facility renovations and new construction and Grosse Point Tennis Courts and playground.

For the Future. For fiscal 2024, the District's Family Aquatic Center will undergo the addition of a Spray Ground and the facility will be retitled the Turtle Creek Aquatic Center. District playground installation will take place at Warrington and Hawthorn Melody parks. A complete revitalization at Hartmann Park will take place as part of an OSLAD Grant. The District will also continue to support their environmental initiatives and provide wellness initiatives for staff and residents.

Debt Administration. As of May 31, 2023, the District had outstanding debt of \$12,718,112. \$12,213,930, in General Obligation Bonds principal and \$504,182 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. As of May 31, 2023, the remaining balance of the loan is \$504,182. 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, 2023, the District's aggregate outstanding debt of \$12,718,112 was well below the \$37,629,252 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, 2022. This was the 28th 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.

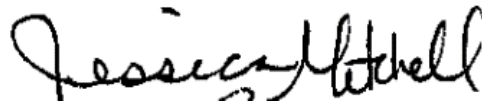
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 Fougrousse, 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, 2022

Christopher P. Morrill

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

October 10, 2023

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

Report on the Audit of the Financial Statements

Opinion

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 (the District), Illinois, as of and for the year ended May 31, 2023, 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, as of May 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 and *Government 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 required pension and other post-employment benefit (OPEB) schedules, 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2023

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, 2023. 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 \$46,391,291 as a result of this year's operations. Net position increased by \$1,941,234, or 4.4 percent.
- During the year, government-wide revenues totaled \$12,927,792, while expenses totaled \$10,986,558, resulting in an ending net position of \$46,391,291.
- The District's net position totaled \$46,391,291 on May 31, 2023, which includes \$46,412,835 net investment in capital assets, \$220,203 subject to external restrictions, and a deficit \$241,747 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 \$94,298, or 6.9 percent, resulting in ending fund balance of \$1,456,572.

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, 2023

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 seven 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, Special Recreation Fund, Bond Fund, and Capital Fund, which are considered a major funds, and the Family Aquatic Fund, a nonmajor fund.

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, 2023

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 \$46,391,291.

	Net Position	
	2023	2022
Current and Other Assets	\$ 17,271,808	14,737,343
Capital Assets	53,088,318	49,247,685
Total Assets	70,360,126	63,985,028
Deferred Outflows of Resources	1,019,134	317,814
Total Assets and Deferred Outflows	71,379,260	64,302,842
Long-Term Liabilities	12,968,007	7,092,815
Other Liabilities	5,843,397	5,694,480
Total Liabilities	18,811,404	12,787,295
Deferred Inflows of Resources	6,176,565	7,065,490
Total Liabilities and Deferred Inflows	24,987,969	19,852,785
Net Position		
Net Investment in Capital Assets	46,412,835	41,593,076
Restricted	220,203	255,799
Unrestricted (Deficit)	(241,747)	2,601,182
Total Net Position	46,391,291	44,450,057

A large portion of the District's net position, \$46,412,835 or 100.0 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, \$220,203 or 0.5 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining deficit 0.5 percent, or deficit \$241,747, 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, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position	
	2023	2022
Revenues		
Program Revenues		
Charges for Services	\$ 4,476,104	3,314,896
Operating Grants/Contributions	—	64,641
Capital Grants/Contributions	2,526,038	425,975
General Revenues		
Property Taxes	5,627,276	5,504,678
Personal Property Replacement Tax	79,705	71,298
Investment Income	(33,930)	9,358
Miscellaneous	252,599	2,581,403
Total Revenues	<u>12,927,792</u>	<u>11,972,249</u>
Expenses		
General Government	1,923,468	1,066,203
Parks and Recreation	8,702,585	8,464,841
Interest on Long-Term Debt	360,505	213,010
Total Expenses	<u>10,986,558</u>	<u>9,744,054</u>
Change in Net Position	1,941,234	2,228,195
Net Position - Beginning	<u>44,450,057</u>	<u>42,221,862</u>
Net Position - Ending	<u><u>46,391,291</u></u>	<u><u>44,450,057</u></u>

Net position of the District's governmental activities increased by 4.4 percent (\$46,391,291 in 2023 compared to \$44,450,057 in 2022).

VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2023

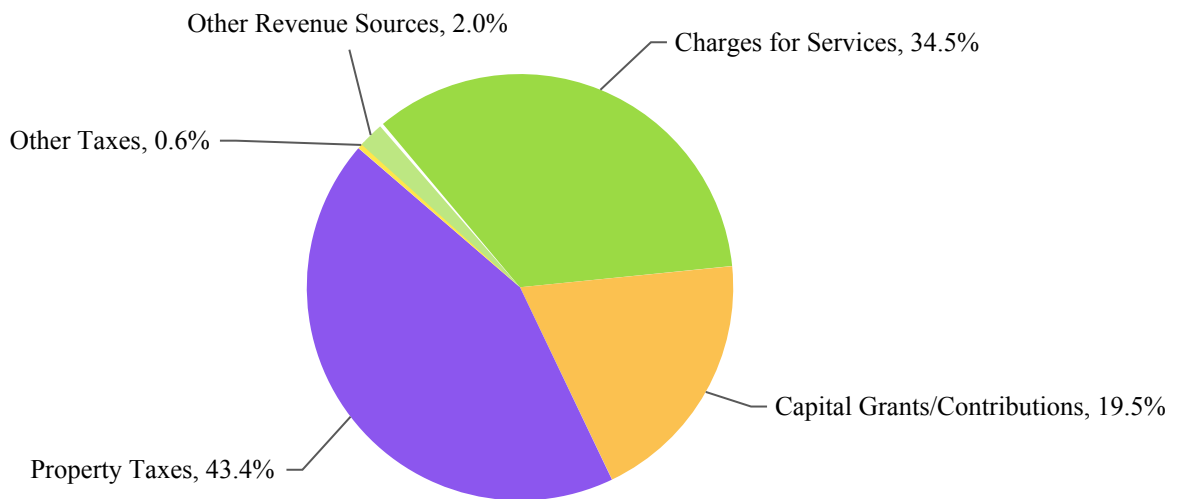
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities

Revenues for governmental activities totaled \$12,927,792, while the cost of all governmental functions totaled \$10,986,558. This results in a surplus of \$1,941,234. In 2022, revenues of \$11,972,249 exceeded expenses of \$9,744,054, resulting in a surplus of \$2,228,195. The surplus in 2023 was due mainly to a state grant of \$1,821,775 to be used for remodeling the Lakeview Fitness building and the \$704,263 DCEO grant and the \$117,004 in developer donation impact fees to be used 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, 2023

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 \$7,370,178, which is an increase of \$3,076,773, or 71.7 percent, from last year's total of \$4,293,405.

The General Fund reported an increase in fund balance for the year of \$94,298, or 6.9 percent. The increase was due to an increase in replacement tax revenue (\$79,705 in 2023 compared to \$71,298 in 2022) and a decrease in Parks Maintenance expenditures (\$1,238,688 in 2023 compared to \$1,273,966 in 2022).

The General Fund is the chief operating fund of the District. At May 31, 2023, unassigned fund balance in the General Fund was \$1,456,572, which represents 100.0 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 64.4 percent of total General Fund expenditures.

The Recreation Fund reported an increase in fund balance for the year of \$221,092, or 11.2 percent. This increase was due in large part to an increase in charges for services (\$2,599,807 in 2023 compared to \$1,924,007 in 2022) as programs ramped up from the previous year. This was offset by an increase in overall recreation expenditures in response to the increased programming.

The Lakeview Fitness Fund reported an increase in fund balance for the year of \$222,459, or 16.8 percent. This increase was due primarily to an increase in charges for services (\$1,574,393 in 2023 compared to \$1,339,859 in 2022) as attendance increased from the previous year.

The Special Recreation Fund reported a decrease in fund balance for the year of \$47,685, or 49.3 percent. This decrease was due to a transfer out to the capital fund for accessibility improvements in the current year.

The Bond Fund reported a decrease in fund balance for the year of \$77,027, or 31.0 percent. The fund balance of \$171,169 in the debt service fund is restricted for future debt service payments. This decrease is due to property tax and bond issuance receipts that were less than the principal and interest expenditures paid in the current year.

The Capital Fund reported an increase in fund balance for the year of \$2,700,702, or 108.1 percent. The increase is due mainly to an increase in grants (\$2,526,038 in 2023 compared to \$425,975 in 2022) that are to be used for the Family Aquatic Center improvements and other general park improvements.

VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The District Board of Commissioners did not amend the budget for the General Fund in the current year. General Fund actual revenues for the year totaled \$2,355,955, compared to budgeted revenues of \$2,322,078.

The General Fund actual expenditures for the year were \$39,537 lower than budgeted (\$2,261,657 actual compared to \$2,301,194 budgeted). The general government and parks functions' actual expenditures were lower than budgeted expenditures by \$5,536 and \$34,001, 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, 2023 was \$53,088,318 (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	
	2023	2022
Land	\$ 10,715,011	10,715,011
Construction in Progress	593,257	781,909
Buildings and Improvements	37,378,308	33,429,865
Machinery and Equipment	4,252,844	4,239,345
Vehicles	148,898	81,555
Totals	<u>53,088,318</u>	<u>49,247,685</u>

This year's major capital asset additions included:

Construction in Progress	\$ 593,257
Buildings and Improvements	4,541,969
Machinery and Equipment	451,781
Vehicles	<u>99,742</u>
Total	<u>5,686,749</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, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the District had total outstanding debt of \$12,718,112 as compared to \$8,166,368 the previous year, an increase of 55.7 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2023	2022
General Obligation Bonds	\$ 12,213,930	7,578,155
Intergovernmental Loan	504,182	588,213
Totals	<u>12,718,112</u>	<u>8,166,368</u>

The District maintains an Aa3 rating from Moody’s for general obligation debt. This rating was updated in February 2023. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 2.875 percent of its total assessed valuation. The current debt limit for the District is \$37,629,252.

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 2023-2024 budget including tax rates, program fees, the increasing minimum wage, increasing supply chain issues and material costs. An additional factor considered for 2023 was the increase in wages overall as a result of cost of living, competitive hiring and wage compression with continued minimum wage increases.

The District's Fiscal budget for 2023-2024 totals \$16,882,936, an increase from the final Fiscal 2022-2023 budget of \$667,996. New projects in the Fiscal Year 2023-2024 include funds to expand the Family Aquatic Center with a Spray Ground, current structure roof repairs and additional construction to bath houses. Park improvements include paving projects throughout the District and Hartman Park and Hawthorn Melody Playground upgrades.

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, 2023

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS

Statement of Net Position

May 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 6,716,353
Receivables - Net of Allowances	<u>10,555,455</u>
Total Current Assets	<u>17,271,808</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	11,308,268
Depreciable	64,053,498
Accumulated Depreciation	<u>(22,273,448)</u>
Total Noncurrent Assets	<u>53,088,318</u>
Total Assets	<u>70,360,126</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	1,001,385
Deferred Items - RBP	<u>17,749</u>
Total Deferred Outflows of Resources	<u>1,019,134</u>
Total Assets and Deferred Outflows of Resources	<u>71,379,260</u>

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

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 422,695
Accrued Payroll	137,176
Deposits Payable	6,000
Accrued Interest Payable	135,358
Other Payables	3,341,728
Current Portion of Long-Term Debt	1,800,440
Total Current Liabilities	<u>5,843,397</u>
Noncurrent Liabilities	
Compensated Absences Payable	262,113
Net Pension Liability - IMRF	1,380,314
Total OPEB Liability - RBP	272,877
General Obligation Bonds Payable - Net	10,632,552
Intergovernmental Loan	420,151
Total Noncurrent Liabilities	<u>12,968,007</u>
Total Liabilities	<u>18,811,404</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	5,994,031
Deferred Items - IMRF	182,534
Total Deferred Inflows of Resources	<u>6,176,565</u>
Total Liabilities and Deferred Inflows of Resources	<u>24,987,969</u>
NET POSITION	
Net Investment in Capital Assets	46,412,835
Restricted	
Special Recreation	49,034
Debt Service	171,169
Unrestricted (Deficit)	<u>(241,747)</u>
Total Net Position	<u>46,391,291</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, 2023

	Expenses	Program Revenues			Net
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	(Expenses)/ Revenues Governmental Activities
Governmental Activities					
General Government	\$ 1,923,468	—	—	—	(1,923,468)
Parks and Recreation	8,702,585	4,476,104	—	2,526,038	(1,700,443)
Interest on Long-Term Debt	360,505	—	—	—	(360,505)
Total Governmental Activities	10,986,558	4,476,104	—	2,526,038	(3,984,416)
		General Revenues			
		Taxes			
		Property Taxes			5,627,276
		Intergovernmental - Unrestricted			
		Personal Property Replacement Tax			79,705
		Investment Income (Loss)			(33,930)
		Miscellaneous			252,599
					<u>5,925,650</u>
		Change in Net Position			1,941,234
		Net Position - Beginning			<u>44,450,057</u>
		Net Position - Ending			<u><u>46,391,291</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, 2023

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

May 31, 2023

	General	Recreation
ASSETS		
Cash and Investments	\$ 1,252,149	1,936,457
Receivables - Net of Allowances		
Property Taxes	2,128,350	2,001,734
Accounts	—	1,180,951
Due from Other Governments	—	—
Due from Other Funds	486,296	890,075
Total Assets	<u>3,866,795</u>	<u>6,009,217</u>
LIABILITIES		
Accounts Payable	162,576	52,539
Accrued Payroll	27,336	71,495
Deposits Payable	—	6,000
Other Payables	12,528	1,603,789
Due to Other Funds	—	—
Total Liabilities	<u>202,440</u>	<u>1,733,823</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	<u>2,207,783</u>	<u>2,076,441</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,410,223</u>	<u>3,810,264</u>
FUND BALANCES		
Restricted	—	—
Assigned	—	2,198,953
Unassigned	<u>1,456,572</u>	—
Total Fund Balances	<u>1,456,572</u>	<u>2,198,953</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>3,866,795</u>	<u>6,009,217</u>

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

Special Revenue		Debt	Capital	Nonmajor	
Lakeview	Special	Service	Projects	Family	
Fitness	Recreation	Bond	Capital	Aquatic	Totals
				Center	
—	69,092	213,849	3,244,806	—	6,716,353
—	504,701	1,143,590	—	255	5,778,630
119,269	—	—	117,004	—	1,417,224
—	—	—	1,983,230	—	1,983,230
—	—	—	—	—	1,376,371
119,269	573,793	1,357,439	5,345,040	255	17,271,808
38,566	—	—	146,301	22,713	422,695
34,373	1,222	—	—	2,750	137,176
—	—	—	—	—	6,000
258,034	—	—	—	91,006	1,965,357
890,075	—	—	—	486,296	1,376,371
1,221,048	1,222	—	146,301	602,765	3,907,599
—	523,537	1,186,270	—	—	5,994,031
1,221,048	524,759	1,186,270	146,301	602,765	9,901,630
—	49,034	171,169	—	—	220,203
—	—	—	5,198,739	—	7,397,692
(1,101,779)	—	—	—	(602,510)	(247,717)
(1,101,779)	49,034	171,169	5,198,739	(602,510)	7,370,178
119,269	573,793	1,357,439	5,345,040	255	17,271,808

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, 2023

Total Governmental Fund Balances	\$ 7,370,178
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.	53,088,318
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	818,851
Deferred Items - RBP	17,749
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(327,641)
Net Pension Liability - IMRF	(1,380,314)
Total OPEB Liability - RBP	(272,877)
General Obligation Bonds - Net	(12,283,433)
Intergovernmental Loan	(504,182)
Accrued Interest Payable	(135,358)
Net Position of Governmental Activities	<u>46,391,291</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, 2023**

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, 2023**

	General	Recreation
Revenues		
Taxes	\$ 2,265,712	1,731,483
Intergovernmental	79,705	—
Charges for Services	—	2,599,807
Investment Income (Loss)	(19,767)	(12,110)
Miscellaneous	30,305	105,286
Total Revenues	<u>2,355,955</u>	<u>4,424,466</u>
Expenditures		
General Government	928,719	—
Parks and Recreation	1,238,688	4,185,195
Capital Outlay	—	—
Debt Service		
Principal Retirement	—	—
Interest and Fiscal Charges	94,250	—
Total Expenditures	<u>2,261,657</u>	<u>4,185,195</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>94,298</u>	<u>239,271</u>
Other Financing Sources (Uses)		
Debt Issuance	—	—
Transfers In	—	—
Transfers Out	—	(18,179)
	<u>—</u>	<u>(18,179)</u>
Net Change in Fund Balances	94,298	221,092
Fund Balances - Beginning	<u>1,362,274</u>	<u>1,977,861</u>
Fund Balances - Ending	<u><u>1,456,572</u></u>	<u><u>2,198,953</u></u>

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

<u>Special Revenue</u>		<u>Debt</u>	<u>Capital</u>	<u>Nonmajor</u>	
Lakeview	Special	Service	Projects	Family	
Fitness	Recreation	Bond	Capital	Aquatic	Totals
				Center	
—	504,990	1,125,091	—	—	5,627,276
—	—	—	2,526,038	—	2,605,743
1,574,393	—	—	—	301,904	4,476,104
—	1	2,544	(4,596)	(2)	(33,930)
—	—	—	117,004	4	252,599
1,574,393	504,991	1,127,635	2,638,446	301,906	12,927,792
—	—	—	—	—	928,719
1,351,934	190,676	—	—	357,151	7,323,644
—	—	—	5,829,186	—	5,829,186
—	—	1,697,186	—	—	1,697,186
—	—	115,426	111,538	—	321,214
1,351,934	190,676	1,812,612	5,940,724	357,151	16,099,949
222,459	314,315	(684,977)	(3,302,278)	(55,245)	(3,172,157)
—	—	1,133,930	5,115,000	—	6,248,930
—	—	—	887,980	18,179	906,159
—	(362,000)	(525,980)	—	—	(906,159)
—	(362,000)	607,950	6,002,980	18,179	6,248,930
222,459	(47,685)	(77,027)	2,700,702	(37,066)	3,076,773
(1,324,238)	96,719	248,196	2,498,037	(565,444)	4,293,405
(1,101,779)	49,034	171,169	5,198,739	(602,510)	7,370,178

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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 3,076,773
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	5,686,749
Depreciation Expense	(1,846,116)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	1,920,074
Change in Deferred Items - RBP	13,422
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	(59,973)
Change in Net Pension Liability/(Asset) - IMRF	(2,325,779)
Change in Total OPEB Liability - RBP	67,119
Retirement of Debt	1,697,186
Issuance of Debt	(6,248,930)
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.	<u>(46,242)</u>
Changes in Net Position of Governmental Activities	<u><u>1,941,234</u></u>

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

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

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, 2023

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, 2023

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 major fund, is used to account for property taxes restricted for funding recreation activities for disabled individuals. The Family Aquatic Center Fund, 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 one major capital projects fund. 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.

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, 2023

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.

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, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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.

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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."

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

BUDGETARY INFORMATION - Continued

- 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. No supplemental appropriations were adopted during the current fiscal year.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
Recreation	\$ 66,941
Special Recreation	1,599
Bond	937
Capital	974,524

DEFICIT FUND BALANCES

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

Fund	Deficit
Lakeview Fitness	\$ 1,101,779
Family Aquatic Center	602,510

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

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.

Deposits. At year-end, the carrying amount of the District's deposits for governmental activities totaled \$6,382,082 and the bank balances totaled \$7,335,728. Additionally, the District has \$1,180 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.

Investments. The District has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasuries	\$ 333,091	114,098	218,993	—	—

The District has the following recurring fair value measurements as of year-end:

- U.S. Treasuries of \$333,091 are valued using quoted market prices (Level 1 inputs)

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, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - 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 IPRIME were rated AAAM by Standard & Poor's.

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).

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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2022 attach as an enforceable lien on January 1, 2022, 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>
General	Nonmajor	\$ 486,296
Recreation	Lakeview Fitness	<u>890,075</u>
		<u><u>1,376,371</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	\$ 525,980
Capital	Special Recreation	362,000
Nonmajor	Recreation	<u>18,179</u>
		<u><u>906,159</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, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 10,715,011	—	—	10,715,011
Construction in Progress	781,909	593,257	781,909	593,257
	<u>11,496,920</u>	<u>593,257</u>	<u>781,909</u>	<u>11,308,268</u>
Depreciable Capital Assets				
Buildings and Improvements	49,478,623	5,323,878	—	54,802,501
Machinery and Equipment	8,016,647	451,781	—	8,468,428
Vehicles	682,827	99,742	—	782,569
	<u>58,178,097</u>	<u>5,875,401</u>	<u>—</u>	<u>64,053,498</u>
Less Accumulated Depreciation				
Buildings and Improvements	16,048,758	1,375,435	—	17,424,193
Machinery and Equipment	3,777,302	438,282	—	4,215,584
Vehicles	601,272	32,399	—	633,671
	<u>20,427,332</u>	<u>1,846,116</u>	<u>—</u>	<u>22,273,448</u>
Total Net Depreciable Capital Assets	<u>37,750,765</u>	<u>4,029,285</u>	<u>—</u>	<u>41,780,050</u>
Total Net Capital Assets	<u>49,247,685</u>	<u>4,622,542</u>	<u>781,909</u>	<u>53,088,318</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 609,612
Parks and Recreation	<u>1,236,504</u>
	<u>1,846,116</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

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.	\$ 465,000	—	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	—	35,000	5,965,000
\$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	—
\$1,133,930 General Obligation Limited Tax Park Bonds of 2022 due in one installment of \$1,133,930 plus interest at 3.59% on December 1, 2023.	—	1,133,930	—	1,133,930
\$5,115,000 General Obligation (Alternate Revenue Source) Park Bonds of 2023A due in annual installments of \$425,000 to \$610,000 plus interest at 2.00% through December 15, 2042.	—	5,115,000	—	5,115,000
	<u>7,578,155</u>	<u>6,248,930</u>	<u>1,613,155</u>	<u>12,213,930</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

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	\$ 267,668	119,946	59,973	327,641	65,528
Net Pension Liability/(Asset) - IMRF	(945,465)	2,325,779	—	1,380,314	—
Total OPEB Liability - RBP	339,996	—	67,119	272,877	—
General Obligation Bonds	7,578,155	6,248,930	1,613,155	12,213,930	1,643,930
Unamortized Bond Premium	76,454	—	6,951	69,503	6,951
Intergovernmental Loan	588,213	—	84,031	504,182	84,031
	<u>7,905,021</u>	<u>8,694,655</u>	<u>1,831,229</u>	<u>14,768,447</u>	<u>1,800,440</u>

Payments on the net pension liability/(asset) and 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, 2023 the total intergovernmental loan payable is \$504,182. The annual debt service requirements to maturity are as follows:

Fiscal Year	Payment
2024	\$ 84,031
2025	84,031
2026	84,031
2027	84,031
2028	84,031
2029	<u>84,027</u>
	<u><u>504,182</u></u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

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
2024	\$ 1,643,930	355,960
2025	530,000	368,250
2026	550,000	352,350
2027	570,000	335,850
2028	590,000	318,754
2029	610,000	301,050
2030	635,000	247,582
2031	645,000	263,700
2032	650,000	244,350
2033	675,000	224,850
2034	425,000	204,600
2035	440,000	187,600
2036	460,000	170,000
2037	480,000	151,600
2038	495,000	132,400
2039	520,000	112,600
2040	540,000	91,800
2041	560,000	70,200
2042	585,000	47,800
2043	610,000	24,400
Totals	<u>12,213,930</u>	<u>4,205,696</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

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."

Assessed Valuation - 2022	<u>\$ 1,308,843,533</u>
Legal Debt Limit - 2.875% of Assessed Value	37,629,252
Amount of Debt Applicable to Limit	
General Obligation Park Bonds of 2021	<u>1,133,930</u>
Legal Debt Margin	<u>36,495,322</u>
Non-Referendum Legal Debt Limit	
0.575% of Equalized Assessed Value	7,525,850
Amount of Debt Applicable to Limit	
General Obligation Park Bonds of 2021	<u>1,133,930</u>
Non-Referendum Legal Debt Margin	<u>6,391,920</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of May 31, 2023:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	53,088,318
Plus: Unspent Bond Proceeds		5,000,000
Less Capital Related Debt:		
General Obligation Park Bonds of 2016A		(5,965,000)
General Obligation Limited Tax Park Bonds of 2022		(525,980)
General Obligation Park Bonds of 2023A		(5,115,000)
Unamortized Bond Premium		<u>(69,503)</u>
Net Investment in Capital Assets		<u><u>46,412,835</u></u>

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 Service Bond	Capital Projects Capital	Nonmajor	Totals
		Recreation	Fitness	Special Recreation			Family Aquatic Center	
Fund Balances								
Restricted								
Special Recreation	\$ —	—	—	49,034	—	—	—	49,034
Debt Service	—	—	—	—	171,169	—	—	171,169
	—	—	—	49,034	171,169	—	—	220,203
Assigned								
Recreation	—	2,198,953	—	—	—	—	—	2,198,953
Capital Projects	—	—	—	—	—	5,198,739	—	5,198,739
	—	2,198,953	—	—	—	5,198,739	—	7,397,692
Unassigned	1,456,572	—	(1,101,779)	—	—	—	(602,510)	(247,717)
Total Fund Balances	<u>1,456,572</u>	<u>2,198,953</u>	<u>(1,101,779)</u>	<u>49,034</u>	<u>171,169</u>	<u>5,198,739</u>	<u>(602,510)</u>	<u>7,370,178</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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.

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.

NOTE 4 - OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

The District is not a defendant in any lawsuits at year-end.

Grants

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

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, 2023.

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.

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.

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

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

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

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2022 and the statement of revenues and expenses for the period ending December 31, 2022. The District's portion of the overall equity of the pool is 0.166% or \$73,457.

Assets	\$ 66,570,393
Deferred Outflows of Resources - Pension	787,406
Liabilities	20,949,149
Deferred Inflows of Resources - Pension	2,223,803
Total Net Position	44,184,847
Operating Revenues	17,464,224
Nonoperating Revenues	(6,820,223)
Expenditures	23,554,952

Since 97.22% 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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) Health Program - Continued

The following represents a summary of PDRMA's Health Program balance sheet at December 31, 2022 and the statement of revenues and expenses for the period ending December 31, 2022.

Assets	\$ 28,231,130
Deferred Outflows of Resources - Pension	337,460
Liabilities	7,038,847
Deferred Inflows of Resources - Pension	953,058
Total Net Position	20,576,685
Operating Revenues	33,472,368
Nonoperating Revenues	(3,618,182)
Expenditures	34,619,747

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.

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

Plan Descriptions

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

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. 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.

Plan Membership. As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	29
Inactive Plan Members Entitled to but not yet Receiving Benefits	56
Active Plan Members	<u>55</u>
Total	<u><u>140</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended May 31, 2023, the District's contribution was 7.79% of covered payroll.

Net Pension Liability/(Asset). The District's net pension liability/(asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2022, 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	2.75%
Inflation	2.25%

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:

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

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.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

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

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate as well as what the District's net pension liability 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	\$ 2,888,151	1,380,314	211,415

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Net Pension (Asset) (A) - (B)
Balances at December 31, 2021	\$ 10,923,468	11,868,933	(945,465)
Changes for the Year:			
Service Cost	269,496	—	269,496
Interest on the Total Pension Liability	787,273	—	787,273
Difference Between Expected and Actual Experience of the Total Pension Liability	(111,423)	—	(111,423)
Changes of Assumptions	—	—	—
Contributions - Employer	—	247,057	(247,057)
Contributions - Employees	—	135,759	(135,759)
Net Investment Income	—	(1,353,114)	1,353,114
Benefit Payments, Including Refunds of Employee Contributions	(398,551)	(398,551)	—
Other (Net Transfer)	—	(410,135)	410,135
Net Changes	546,795	(1,778,984)	2,325,779
Balances at December 31, 2022	11,470,263	10,089,949	1,380,314

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

For the year ended May 31, 2023, the District recognized pension expense of \$640,450. At May 31, 2023, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

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 - Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 82,794	(144,990)	(62,196)
Change in Assumptions	25,852	(37,544)	(11,692)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	800,304	—	800,304
Total Expense to be Recognized in Future Periods	908,950	(182,534)	726,416
Contributions made Subsequent to the Measurement Date	92,435	—	92,435
 Total Deferred Amounts Related to IMRF	 <u>1,001,385</u>	 <u>(182,534)</u>	 <u>818,851</u>

\$92,435 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, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (14,467)
2025	88,457
2026	222,539
2027	429,887
2028	—
Thereafter	—
Total	<u>726,416</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

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 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, 2022, and was determined by an actuarial valuation as of September 30, 2021.

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	4.02%
Healthcare Cost Trend Rates	
PPO 2000	7.04% Graded to 5.00% until the ultimate trend rate is reached in 2032.
HMO	6.78% Graded to 5.00% until the ultimate trend rate is reached in 2032.
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, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at May 31, 2022	<u>\$ 339,996</u>
Changes for the Year:	
Service Cost	5,618
Interest on the Total OPEB Liability	7,426
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(57,392)
Benefit Payments	<u>(22,771)</u>
Net Changes	<u>(67,119)</u>
Balance at May 31, 2023	<u><u>272,877</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 4.02%, while the prior valuation used 2.26%. 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 (3.02%)	Current Discount Rate (4.02%)	1% Increase (5.02%)
Total OPEB Liability	\$ 302,104	272,877	248,745

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	\$ 244,719	272,877	306,649

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2023

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, 2023, the District recognized OPEB revenue of \$57,770. At May 31, 2023, 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	17,749	—	17,749
 Total Deferred Amounts Related to OPEB	 17,749	 —	 17,749

\$17,749 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
2024	\$ —
2025	—
2026	—
2027	—
2028	—
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
Special Recreation - 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, 2023**

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%
2023	234,745	234,745	—	3,011,811	7.79%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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, 2023

	12/31/2014	12/31/2015
Total Pension Liability		
Service Cost	\$ 256,653	246,791
Interest	474,427	530,225
Changes in Benefit Terms	—	—
Differences Between Expected and Actual Experience	44,975	(40,030)
Change of Assumptions	251,821	9,913
Benefit Payments, Including Refunds of Member Contributions	(246,277)	(292,792)
Net Change in Total Pension Liability	781,599	454,107
Total Pension Liability - Beginning	6,320,511	7,102,110
Total Pension Liability - Ending	7,102,110	7,556,217
Plan Fiduciary Net Position		
Contributions - Employer	\$ 279,376	270,726
Contributions - Members	108,854	118,509
Net Investment Income	350,658	31,102
Benefit Payments, Including Refunds of Member Contributions	(246,227)	(292,792)
Other (Net Transfer)	2,065	(237,404)
Net Change in Plan Fiduciary Net Position	494,726	(109,859)
Plan Net Position - Beginning	5,677,497	6,172,223
Plan Net Position - Ending	6,172,223	6,062,364
Employer's Net Pension Liability/(Asset)	\$ 929,887	1,493,853
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.91%	80.23%
Covered Payroll	\$ 2,419,193	2,633,520
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	38.44%	56.72%

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.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
283,775	282,497	278,931	287,754	294,490	238,851	269,496
566,176	595,717	621,926	659,026	711,814	738,005	787,273
—	—	—	—	—	—	—
(170,955)	93,143	19,066	154,490	(138,054)	89,059	(111,423)
(20,431)	(257,979)	267,797	—	(87,869)	—	—
(257,814)	(310,642)	(413,648)	(375,269)	(377,790)	(404,815)	(398,551)
400,751	402,736	774,072	726,001	402,591	661,100	546,795
7,556,217	7,956,968	8,359,704	9,133,776	9,859,777	10,262,368	10,923,468
7,956,968	8,359,704	9,133,776	9,859,777	10,262,368	10,923,468	11,470,263
274,482	280,971	266,889	242,071	247,726	266,126	247,057
121,333	126,563	127,360	132,864	121,375	126,861	135,759
423,257	1,112,789	(355,049)	1,339,998	1,253,175	1,678,241	(1,353,114)
(257,814)	(310,642)	(413,648)	(375,269)	(377,790)	(404,815)	(398,551)
20,706	(50,158)	165,676	57,219	69,100	(103,028)	(410,135)
581,964	1,159,523	(208,772)	1,396,883	1,313,586	1,563,385	(1,778,984)
6,062,364	6,644,328	7,803,851	7,595,079	8,991,962	10,305,548	11,868,933
6,644,328	7,803,851	7,595,079	8,991,962	10,305,548	11,868,933	10,089,949
1,312,640	555,853	1,538,697	867,815	(43,180)	(945,465)	1,380,314
83.50%	93.35%	83.15%	91.20%	100.42%	108.66 %	87.97 %
2,696,277	2,812,517	2,830,219	2,954,568	2,610,950	2,819,127	2,987,374
48.68%	19.76%	54.37%	29.37%	(1.65%)	(33.54%)	46.20%

VERNON HILLS PARK DISTRICT, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

May 31, 2023

	<u>5/31/2019</u>
Total OPEB Liability	
Service Cost	\$ 9,793
Interest	4,206
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions or Other Inputs	(4,905)
Benefit Payments	<u>(1,287)</u>
Net Change in Total OPEB Liability	7,807
Total OPEB Liability - Beginning	<u>106,399</u>
Total OPEB Liability - Ending	<u><u>114,206</u></u>
Covered-Employee Payroll	2,584,442
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.42%

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 2023.

5/31/2020	5/31/2021	5/31/2022	5/31/2023
9,290	9,776	9,216	5,618
5,133	3,657	8,740	7,426
—	—	—	—
(810)	433,113	28,546	—
11,639	(181,391)	(95,611)	(57,392)
(1,377)	(1,414)	(12,717)	(22,771)
23,875	263,741	(61,826)	(67,119)
114,206	138,081	401,822	339,996
138,081	401,822	339,996	272,877
2,645,104	2,711,232	2,786,783	2,945,313
5.22%	14.82%	12.20%	9.26%

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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,275,176	2,275,176	2,265,712
Intergovernmental			
Replacement Taxes	24,000	24,000	79,705
Investment Income (Loss)	3,052	3,052	(19,767)
Miscellaneous	19,850	19,850	30,305
Total Revenues	<u>2,322,078</u>	<u>2,322,078</u>	<u>2,355,955</u>
Expenditures			
General Government			
Business Services	657,747	657,747	640,185
Employee Benefits	276,508	276,508	288,534
Parks and Recreation	1,272,689	1,272,689	1,238,688
Debt Service			
Interest and Fiscal Charges	94,250	94,250	94,250
Total Expenditures	<u>2,301,194</u>	<u>2,301,194</u>	<u>2,261,657</u>
Net Change in Fund Balance	<u>20,884</u>	<u>20,884</u>	94,298
Fund Balance - Beginning			<u>1,362,274</u>
Fund Balance - Ending			<u><u>1,456,572</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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,738,716	1,738,716	1,731,483
Charges for Services			
Program Fees	2,258,682	2,258,682	2,384,963
Rental	181,070	181,070	214,844
Investment Income (Loss)	2,500	2,500	(12,110)
Miscellaneous	87,645	87,645	105,286
Total Revenues	<u>4,268,613</u>	<u>4,268,613</u>	<u>4,424,466</u>
Expenditures			
Parks and Recreation	<u>4,118,254</u>	<u>4,118,254</u>	<u>4,185,195</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	150,359	150,359	239,271
Other Financing (Uses)			
Transfers Out	<u>(23,205)</u>	<u>(23,205)</u>	<u>(18,179)</u>
Net Change in Fund Balance	<u>127,154</u>	<u>127,154</u>	221,092
Fund Balance - Beginning			<u>1,977,861</u>
Fund Balance - Ending			<u><u>2,198,953</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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Fitness	\$ 1,331,685	1,331,685	1,378,017
Child Care	6,750	6,750	543
Aquatics	181,495	181,495	183,542
Miscellaneous	10,950	10,950	12,291
Total Revenues	<u>1,530,880</u>	<u>1,530,880</u>	<u>1,574,393</u>
Expenditures			
Parks and Recreation	<u>1,537,098</u>	<u>1,537,098</u>	<u>1,351,934</u>
Net Change in Fund Balance	<u>(6,218)</u>	<u>(6,218)</u>	222,459
Fund Balance - Beginning			<u>(1,324,238)</u>
Fund Balance - Ending			<u>(1,101,779)</u>

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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 507,099	507,099	504,990
Investment Income	160	160	1
Total Revenues	<u>507,259</u>	<u>507,259</u>	<u>504,991</u>
Expenditures			
Park and Recreation			
Special Recreation Services	<u>189,077</u>	<u>189,077</u>	<u>190,676</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	318,182	318,182	314,315
Other Financing (Uses)			
Transfers Out	<u>(318,500)</u>	<u>(318,500)</u>	<u>(362,000)</u>
Net Change in Fund Balance	<u>(318)</u>	<u>(318)</u>	<u>(47,685)</u>
Fund Balance - Beginning			<u>96,719</u>
Fund Balance - Ending			<u><u>49,034</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Recreation Fund

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

Lakeview Fitness Fund

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

Special Recreation Fund

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

Family Aquatic Center Fund

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

DEBT SERVICE FUND

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

INDIVIDUAL FUND DESCRIPTIONS

CAPITAL PROJECTS 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.

VERNON HILLS PARK DISTRICT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended May 31, 2023

	Budget		Actual
	Original	Final	
General Government			
Business Services			
Legal Fees	\$ 15,000	15,000	11,768
Professional Fees	28,483	28,483	33,797
Contractual Services	284,468	284,468	267,766
Liability Insurance	149,578	149,578	136,307
Bank Fees and Credit Card Charges	63,129	63,129	78,482
Technology	78,146	78,146	74,321
Supplies and Safety Equipment	38,943	38,943	37,744
Total Business Services	<u>657,747</u>	<u>657,747</u>	<u>640,185</u>
Employee Benefits			
IMRF	55,757	55,757	56,816
Social Security	61,908	61,908	57,236
Health and Life Insurance	158,843	158,843	174,482
Total Employee Benefits	<u>276,508</u>	<u>276,508</u>	<u>288,534</u>
Total General Government	<u>934,255</u>	<u>934,255</u>	<u>928,719</u>
Parks and Recreation			
Salaries and Wages			
Maintenance Workers - Full-Time	706,530	706,530	709,169
Maintenance Workers - Part-Time	100,020	100,020	63,022
Services			
Clothing and Uniforms	6,040	6,040	4,979
Training and Travel	10,855	10,855	10,754
Supplies and Equipment			
Maintenance Supplies	178,225	178,225	170,700
Office Supplies	2,200	2,200	1,049
Equipment	37,400	37,400	37,539
Utilities	60,469	60,469	51,705
Repairs/Improvements	170,950	170,950	189,771
Total Parks and Recreation	<u>1,272,689</u>	<u>1,272,689</u>	<u>1,238,688</u>
Debt Service			
Interest and Fiscal Charges	94,250	94,250	94,250
Total Expenditures	<u>2,301,194</u>	<u>2,301,194</u>	<u>2,261,657</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

**Recreation - Special Revenue Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended May 31, 2023**

	Budget		Actual
	Original	Final	
Parks and Recreation			
Administration			
Salaries and Wages	\$ 190,744	190,744	182,088
Services			
Training and Travel	23,535	23,535	29,779
Utilities	54,267	54,267	55,706
Miscellaneous	700	700	6,572
Total Administration	269,246	269,246	274,145
Employee Benefits			
IMRF	198,621	198,621	177,761
Social Security	250,351	250,351	229,118
Health and Life Insurance	566,430	566,430	584,024
Other	66,590	66,590	67,127
Total Employee Benefits	1,081,992	1,081,992	1,058,030
Programs			
Salaries and Wages			
Recreation - Full-Time	891,520	891,520	870,753
Recreation - Part-Time	435,084	435,084	442,627
Supervision - Full-Time	290,605	290,605	301,522
Customer Service - Part-Time	31,619	31,619	31,338
Services			
Contractual	108,290	108,290	105,076
Recreation Contractors	342,270	342,270	463,594
Officials	13,989	13,989	18,790
Training and Travel	1,545	1,545	1,813
Utilities	2,925	2,925	3,739
League/Tourney Fees	102,582	102,582	112,606
Supplies and Equipment			
Recreation Supplies	72,781	72,781	64,435
Clothing	10,997	10,997	9,198
Recreation Equipment	2,290	2,290	1,849
Total Programs	2,306,497	2,306,497	2,427,340

VERNON HILLS PARK DISTRICT, ILLINOIS

Recreation - Special Revenue Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended May 31, 2023

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Facilities			
Sullivan Center			
Salaries and Wages			
Maintenance Workers - Full-Time	\$ 87,684	87,684	91,459
Maintenance Workers - Part-Time	43,862	43,862	43,647
Services			
Contractual	51,024	51,024	42,908
Utilities	82,381	82,381	53,682
Supplies and Equipment			
Building Supplies	1,100	1,100	1,708
Custodial Supplies	17,800	17,800	11,442
Repairs and Maintenance			
Equipment	11,350	11,350	27,363
Building and Grounds Improvements	15,900	15,900	15,425
Total Sullivan Center	311,101	311,101	287,634
Hartmann Pavilion			
Contractual	1,195	1,195	1,495
Utilities	4,333	4,333	3,666
Building Supplies	300	300	—
Building and Grounds Improvements	4,900	4,900	7,195
Total Hartmann Pavilion	10,728	10,728	12,356
Century Park Pavilion			
Wages - Part-Time	840	840	333
Services			
Contractual	1,330	1,330	1,565
Utilities	4,895	4,895	3,972
Building Supplies	500	500	338
Building and Grounds Improvements	2,300	2,300	7,507
Total Century Park Pavilion	9,865	9,865	13,715

VERNON HILLS PARK DISTRICT, ILLINOIS

Recreation - Special Revenue Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended May 31, 2023

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Facilities - Continued			
SRACLC Building			
Building and Grounds Improvements	\$ 6,500	6,500	4,205
Total Facilities	<u>338,194</u>	<u>338,194</u>	<u>317,910</u>
Marketing			
Contractual	41,880	41,880	47,486
Supplies and Equipment			
Postage	10,465	10,465	7,475
Promotional	69,980	69,980	52,809
Total Marketing	<u>122,325</u>	<u>122,325</u>	<u>107,770</u>
Total Expenditures	<u>4,118,254</u>	<u>4,118,254</u>	<u>4,185,195</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

**Lakeview Fitness - Special Revenue Fund
 Schedule of Expenditures - Budget and Actual
 For the Fiscal Year Ended May 31, 2023**

	Budget		Actual
	Original	Final	
Parks and Recreation			
Fitness			
Salaries and Wages			
Maintenance Workers	\$ 273,682	273,682	252,639
Personal Trainers	9,500	9,500	10,796
Fitness Instructors	96,000	96,000	86,150
Employee Benefits			
Other	350	350	—
Services			
Contractual	82,845	82,845	78,388
Professional Services	2,000	2,000	152
Special Events	750	750	1,509
Utilities	148,985	148,985	92,104
Supplies and Equipment			
Office Supplies	1,500	1,500	2,061
Office Equipment	2,500	2,500	2,355
Other Supplies/Equipment	34,286	34,286	45,219
Fitness Equipment	3,750	3,750	6,576
Building Supplies	1,560	1,560	409
Custodial Supplies	36,500	36,500	23,495
Repairs and Maintenance			
Equipment	9,800	9,800	21,314
Buildings and Grounds Improvement	1,800	1,800	6,059
Total Fitness	<u>705,808</u>	<u>705,808</u>	<u>629,226</u>
Childcare			
Salaries and Wages			
Supervision	102,245	102,245	105,521
Childcare Teachers	502,047	502,047	447,559
Services			
Contractual	1,508	1,508	1,460
Supplies and Equipment			
Field Trips	—	—	1,642
Childcare Supplies	7,950	7,950	7,397
Equipment	1,350	1,350	1,357
Lunch Supplies	34,013	34,013	31,078
Food Supplies	13,500	13,500	12,883
Total Childcare	<u>662,613</u>	<u>662,613</u>	<u>608,897</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

**Lakeview Fitness - Special Revenue Fund
 Schedule of Expenditures - Budget and Actual - Continued
 For the Fiscal Year Ended May 31, 2023**

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Aquatics			
Salaries and Wages			
Supervision	\$ 14,663	14,663	14,264
Swim Instructors	57,949	57,949	47,256
Lifeguards	51,370	51,370	10,999
Services			
Contractual	4,460	4,460	3,556
Lifeguard Training	1,800	1,800	1,547
Swim Meet Expenditures	18,045	18,045	16,968
Supplies and Equipment			
Swim Meet Supplies	1,200	1,200	3,276
Swim Lesson Supplies	840	840	—
Pool Supplies	15,000	15,000	10,334
Clothing	1,550	1,550	928
Repairs and Maintenance			
Equipment	300	300	2,847
Buildings and Ground Improvements	1,500	1,500	1,836
Total Aquatics	<u>168,677</u>	<u>168,677</u>	<u>113,811</u>
Total Expenditures	<u>1,537,098</u>	<u>1,537,098</u>	<u>1,351,934</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Bond - Debt Service Fund

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

For the Fiscal Year Ended May 31, 2023

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,129,791	1,129,791	1,125,091
Investment Income	1,000	1,000	2,544
Total Revenues	<u>1,130,791</u>	<u>1,130,791</u>	<u>1,127,635</u>
Expenditures			
Debt Service			
Principal Retirement	1,796,875	1,796,875	1,697,186
Interest and Fiscal Charges	14,800	14,800	115,426
Total Expenditures	<u>1,811,675</u>	<u>1,811,675</u>	<u>1,812,612</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(680,884)</u>	<u>(680,884)</u>	<u>(684,977)</u>
Other Financing Sources (Uses)			
Debt Issuance	1,157,215	1,157,215	1,133,930
Transfers Out	(509,000)	(509,000)	(525,980)
	<u>648,215</u>	<u>648,215</u>	<u>607,950</u>
Net Change in Fund Balance	<u>(32,669)</u>	<u>(32,669)</u>	(77,027)
Fund Balance - Beginning			<u>248,196</u>
Fund Balance - Ending			<u><u>171,169</u></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, 2023

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 3,380,000	3,380,000	2,526,038
Investment Income (Loss)	1,750	1,750	(4,596)
Miscellaneous			
Developer Contributions	164,500	164,500	117,004
Total Revenues	<u>3,546,250</u>	<u>3,546,250</u>	<u>2,638,446</u>
Expenditures			
Capital Outlay	4,966,200	4,966,200	5,829,186
Debt Service			
Interest and Fiscal Charges	—	—	111,538
Total Expenditures	<u>4,966,200</u>	<u>4,966,200</u>	<u>5,940,724</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,419,950)</u>	<u>(1,419,950)</u>	<u>(3,302,278)</u>
Other Financing Sources			
Debt Issuance	—	—	5,115,000
Transfers In	827,500	827,500	887,980
	<u>827,500</u>	<u>827,500</u>	<u>6,002,980</u>
Net Change in Fund Balance	<u>(592,450)</u>	<u>(592,450)</u>	2,700,702
Fund Balance - Beginning			<u>2,498,037</u>
Fund Balance - Ending			<u><u>5,198,739</u></u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Family Aquatic Center - Special Revenue Fund

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

For the Fiscal Year Ended May 31, 2023

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Aquatic Center Fees	\$ 263,255	263,255	284,670
Rental Income	10,650	10,650	17,234
Concessions	1,500	1,500	—
Investment (Loss)	—	—	(2)
Miscellaneous	—	—	4
Total Revenues	<u>275,405</u>	<u>275,405</u>	<u>301,906</u>
Expenditures			
Parks and Recreation			
Aquatics Center	<u>440,737</u>	<u>440,737</u>	<u>357,151</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(165,332)	(165,332)	(55,245)
Other Financing Sources			
Transfers In	<u>22,000</u>	<u>22,000</u>	<u>18,179</u>
Change in Net Position	<u>(143,332)</u>	<u>(143,332)</u>	<u>(37,066)</u>
Fund Balance - Beginning			<u>(565,444)</u>
Net Position - Ending			<u>(602,510)</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, 2023**

	Budget		Actual
	Original	Final	
Parks and Recreation			
Aquatic Center			
Salaries and Wages			
Customer Service	\$ 43,685	43,685	41,498
Lifeguards	196,035	196,035	165,733
Supervision	9,742	9,742	11,659
Contractual Services	16,180	16,180	17,713
Utilities	88,395	88,395	49,318
Supplies and Equipment			
Pool Supplies	8,100	8,100	11,780
Pool Chemicals	60,375	60,375	24,265
Repairs and Maintenance			
Equipment	8,100	8,100	21,921
Building and Grounds Improvements	10,125	10,125	13,264
Total Expenditures	440,737	440,737	357,151

VERNON HILLS PARK DISTRICT, ILLINOIS

**Consolidated Year-End Financial Report
May 31, 2023**

CSFA #	Program Name	State	Federal	Other	Total
422-11-1165	Park and Recreational Facility Construction	\$ 1,821,775	—	1,792,125	3,613,900
	Other Grant Programs and Activities	—	704,263	—	704,263
	All Other Costs Not Allocated	—	—	6,668,395	6,668,395
	Totals	<u>1,821,775</u>	<u>704,263</u>	<u>8,460,520</u>	<u>10,986,558</u>



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

October 10, 2023

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, teach major fund, and the aggregate remaining fund information of the Vernon Hills Park District, Illinois, as of and for the year ended May 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. According, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Vernon Hills Park District, Illinois
October 10, 2023

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

VERNON HILLS PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

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

May 31, 2023

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
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
	5,965,000	989,186	6,954,186

VERNON HILLS PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Park Bonds of 2022

May 31, 2023

Date of Issue	December 2, 2022
Date of Maturity	December 1, 2023
Authorized Issue	\$1,133,930
Denomination of Bonds	\$100,000
Interest Rate	3.59%
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
2024	<u>\$ 1,133,930</u>	<u>40,595</u>	<u>1,174,525</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation (Alternate Revenue Source) Park Bonds of 2023A

May 31, 2023

Date of Issue	April 6, 2023
Date of Maturity	December 15, 2042
Authorized Issue	\$5,115,000
Denomination of Bonds	\$5,000
Interest Rates	4.00%
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
2024	\$ —	141,515	141,515
2025	—	204,600	204,600
2026	—	204,600	204,600
2027	—	204,600	204,600
2028	—	204,600	204,600
2029	—	204,600	204,600
2030	—	204,600	204,600
2031	—	204,600	204,600
2032	—	204,600	204,600
2033	—	204,600	204,600
2034	425,000	204,600	629,600
2035	440,000	187,600	627,600
2036	460,000	170,000	630,000
2037	480,000	151,600	631,600
2038	495,000	132,400	627,400
2039	520,000	112,600	632,600
2040	540,000	91,800	631,800
2041	560,000	70,200	630,200
2042	585,000	47,800	632,800
2043	610,000	24,400	634,400
	5,115,000	3,175,915	8,290,915

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, 2023 (Unaudited)

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
May 31, 2023 (Unaudited)**

	2014	2015	2016
Governmental Activities			
Net Investment in Capital Assets	\$ 17,396,402	18,071,739	21,807,207
Restricted	394,452	351,716	383,970
Unrestricted	3,078,930	3,372,563	1,014,821
Total Governmental Activities Net Position	20,869,784	21,796,018	23,205,998
Business-Type Activities			
Net Investment in Capital Assets	—	—	—
Unrestricted	—	—	—
Total Business-Type Activities Net Position	—	—	—
Primary Government			
Net Investment in Capital Assets	17,396,402	18,071,739	21,807,207
Restricted	394,452	351,716	383,970
Unrestricted	3,078,930	3,372,563	1,014,821
Total Primary Government Net Position	20,869,784	21,796,018	23,205,998

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.

2017	2018	2019*	2020	2021	2022	2023
22,503,763	23,818,815	24,235,627	36,583,247	41,240,643	41,593,076	46,412,835
356,095	408,730	387,678	256,250	262,083	255,799	220,203
882,308	1,208,381	(484,683)	716,267	719,136	2,601,182	(241,747)
23,742,166	25,435,926	24,138,622	37,555,764	42,221,862	44,450,057	46,391,291
—	—	1,779,285	—	—	—	—
—	—	(499,249)	—	—	—	—
—	—	1,280,036	—	—	—	—
22,503,763	23,818,815	26,014,912	36,583,247	41,240,643	41,593,076	46,412,835
356,095	408,730	387,678	256,250	262,083	255,799	220,203
882,308	1,208,381	(983,932)	716,267	719,136	2,601,182	(241,747)
23,742,166	25,435,926	25,418,658	37,555,764	42,221,862	44,450,057	46,391,291

VERNON HILLS PARK DISTRICT, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years*
May 31, 2023 (Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General Government	\$ —	—	—	—	—	2,348,818	1,332,130	1,337,752	1,066,203	1,923,468
Recreation	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	8,702,585
Interest and Fiscal Charges	128,635	118,159	91,546	258,625	257,924	264,494	254,213	229,678	213,010	360,505
Total Governmental Activities Expenses	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	10,986,558
Business-Type Activities										
Kindergarten Building	—	—	—	—	—	—	—	—	—	—
Total Primary Government Expenses	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	10,986,558
Program Revenues										
Governmental Activities										
Charges for Services	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	4,476,104
Operating Grants and Contributions	—	—	1,973,528	507,162	1,131,353	473,605	—	383,228	64,641	—
Capital Grants and Contributions	33,541	23,739	—	—	—	—	—	—	425,975	2,526,038
Total Governmental Activities Program Revenues	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	7,002,142
Business-Type Activities										
Kindergarten Building	—	—	—	—	—	536,128	—	—	—	—
Total Primary Government Program Revenues	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	7,002,142

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense) Revenue										
Governmental Activities	\$ (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)	(3,984,416)
Business-Type Activities	—	—	—	—	—	536,128	—	—	—	—
Total Primary Government Net Revenue (Expense)	(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)	(3,984,416)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	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	5,627,276
Intergovernmental	24,048	25,171	23,173	25,741	27,511	23,301	25,505	32,352	71,298	79,705
Investment Income	21,271	12,677	21,430	25,468	51,990	104,351	83,708	58,060	9,358	(33,930)
Miscellaneous	897,262	712,787	65,904	66,396	887,964	49,170	466,563	396,562	2,581,403	252,599
Transfers	—	—	—	—	—	—	1,280,036	—	—	—
Total Governmental Activities	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	5,925,650
Business-Type Activities	—	—	—	—	—	—	(1,280,036)	—	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
Total Primary Government	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	5,925,650
Changes in Net Position										
Governmental Activities	1,937,483	926,188	2,010,537	526,168	1,693,760	(549,537)	13,047,835	4,666,098	2,228,195	1,941,234
Business-Type Activities	—	—	—	—	—	536,128	(1,280,036)	—	—	—
Total Primary Government Change in Net Position	1,937,483	926,188	2,010,537	526,168	1,693,760	(13,409)	11,767,799	4,666,098	2,228,195	1,941,234

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, 2023 (Unaudited)

	2014	2015	2016
General Fund			
Nonspendable	\$ —	—	3,345
Unassigned	567,448	867,383	1,064,219
Total General Fund	567,448	867,383	1,067,564
All Other Governmental Funds			
Nonspendable	—	—	—
Restricted	441,605	397,895	383,973
Committed	1,411,406	1,439,814	1,779,946
Assigned	1,757,919	1,832,436	657,474
Unassigned	(495,967)	(588,747)	(560,417)
Total All Other Governmental Funds	3,114,963	3,081,398	2,260,976
Total Governmental Funds	3,682,411	3,948,781	3,328,540

Data Source: Audited Financial Statements

*Modified Accrual Basis of Accounting

2017	2018	2019	2020	2021	2022	2023
8,984	3,534	2,470	1,042	3,406	3,949	—
924,990	1,129,073	758,570	1,038,805	1,293,004	1,358,325	1,456,572
933,974	1,132,607	761,040	1,039,847	1,296,410	1,362,274	1,456,572
—	6,061	8,714	—	—	—	—
356,095	408,730	387,678	365,121	360,510	344,915	220,203
1,971,169	2,245,656	—	—	—	—	—
748,671	1,433,858	3,784,749	3,254,780	3,169,848	4,475,898	7,397,692
(633,621)	(838,531)	(1,153,053)	(1,555,523)	(1,795,231)	(1,889,682)	(1,704,289)
2,442,314	3,255,774	3,028,088	2,064,378	1,735,127	2,931,131	5,913,606
3,376,288	4,388,381	3,789,128	3,104,225	3,031,537	4,293,405	7,370,178

VERNON HILLS PARK DISTRICT, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years*
May 31, 2023 (Unaudited)**

	2014	2015	2016
Revenues			
Taxes	\$ 5,446,745	4,598,612	4,691,273
Intergovernmental	33,541	23,739	1,635,914
Charges for Services	3,752,563	4,073,236	4,807,978
Investment Income	21,271	12,677	21,430
Miscellaneous	400,143	138,718	577,187
Total Revenues	<u>9,654,263</u>	<u>8,846,982</u>	<u>11,733,782</u>
Expenditures			
General Government	2,066,693	1,843,749	2,014,117
Parks and Recreation	5,065,796	5,709,003	6,026,506
Capital Outlay	4,421,762	512,104	3,598,768
Debt Service			
Principal Retirement	1,880,000	1,387,285	1,524,166
Interest and Fiscal Charges	102,924	119,134	95,007
Total Expenditures	<u>13,537,175</u>	<u>9,571,275</u>	<u>13,258,564</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,882,912)</u>	<u>(724,293)</u>	<u>(1,524,782)</u>
Other Financing Sources (Uses)			
Debt Issuance	4,977,285	990,663	904,528
Premium on Bonds	—	—	—
	—	—	—
Transfers In	—	—	488,000
Transfers Out	—	—	(488,000)
	<u>4,977,285</u>	<u>990,663</u>	<u>904,528</u>
Net Change in Fund Balances	<u><u>1,094,373</u></u>	<u><u>266,370</u></u>	<u><u>(620,254)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	<u>18.22%</u>	<u>18.90%</u>	<u>14.81%</u>

Data Source: Audited Financial Statements

*Modified Accrual Basis of Accounting

2017	2018	2019	2020	2021	2022	2023
4,923,723	4,836,267	5,008,603	5,071,142	5,408,419	5,504,678	5,627,276
341,294	891,562	135,396	12,705,913	5,577,050	561,914	2,605,743
4,880,872	4,864,241	4,680,777	3,729,192	1,814,272	3,314,896	4,476,104
35,468	51,990	104,351	83,708	58,060	9,358	(33,930)
258,005	1,148,315	387,379	412,060	396,562	2,581,403	252,599
10,439,362	11,792,375	10,316,506	22,002,015	13,254,363	11,972,249	12,927,792
1,923,598	2,170,447	775,194	981,873	898,561	980,146	928,719
6,213,961	6,441,636	7,875,430	7,288,804	5,678,187	7,183,953	7,323,644
7,764,738	1,489,144	1,572,066	13,189,849	5,987,100	1,773,844	5,829,186
1,422,880	1,439,810	1,464,205	1,570,416	1,608,421	1,656,321	1,697,186
182,455	258,450	270,730	271,369	247,072	229,272	321,214
17,507,632	11,799,487	11,957,625	23,302,311	14,419,341	11,823,536	16,099,949
(7,068,270)	(7,112)	(1,641,119)	(1,300,296)	(1,164,978)	148,713	(3,172,157)
7,004,810	1,019,205	1,031,385	1,059,390	1,092,290	1,113,155	6,248,930
111,208	—	—	—	—	—	—
—	—	—	—	—	—	—
708,880	332,000	873,595	392,208	500,000	475,855	906,159
(708,880)	(332,000)	(873,595)	(891,457)	(500,000)	(475,855)	(906,159)
7,116,018	1,019,205	1,031,385	560,141	1,092,290	1,113,155	6,248,930
47,748	1,012,093	(609,734)	(740,155)	(72,688)	1,261,868	3,076,773
14.57%	14.39%	15.50%	17.59%	20.94%	18.62%	19.38%

VERNON HILLS PARK DISTRICT, ILLINOIS

**Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Tax Levy Years
May 31, 2023 (Unaudited)**

Tax Levy Year	Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Equalized Assessed Value as a Percentage of Actual Value
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%
2022	1,308,843,533	0.4597	3,926,530,599	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, 2023 (Unaudited)**

Taxing Body	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Direct Rates										
Corporate	0.2040	0.2079	0.2029	0.1930	0.1918	0.1891	0.1825	0.1832	0.1795	0.1704
Recreation	0.1210	0.1243	0.1205	0.1141	0.1112	0.1145	0.1134	0.1251	0.1372	0.1586
Special Recreation	0.0240	0.0251	0.0400	0.0235	0.0259	0.0204	0.0400	0.0379	0.0400	0.0400
Bonds and Interest	0.0960	0.0977	0.0944	0.0888	0.0874	0.0870	0.0843	0.0875	0.0891	0.0906
Total District Rates	0.4450	0.4550	0.4578	0.4194	0.4163	0.4110	0.4202	0.4337	0.4458	0.4596
Overlapping Governments										
Lake County	0.6630	0.6830	0.6630	0.6320	0.6220	0.6120	0.5968	0.5980	0.5977	0.5887
Village of Mundelein	N/A	N/A	1.5710	1.5630	1.5590	1.4194	1.4425	1.4605	1.4700	1.4721
Lake County Forest Preserve District	0.2190	0.2100	0.2080	0.1930	0.1870	0.1820	0.1798	0.1818	0.1789	0.1732
Libertyville Township	0.1310	0.1340	0.1310	0.1240	0.1220	0.1220	0.1227	0.1266	0.0670	0.0681
Vernon Township	0.0650	0.0663	0.0644	0.0611	0.0564	N/A	0.0564	N/A	0.0951	0.0960
Central Lake County JAWA	0.0550	0.0560	0.0540	0.0460	0.0410	N/A	N/A	N/A	N/A	N/A
Countryside Fire Protection District	0.5970	0.6130	0.5990	0.5670	0.5620	0.5640	0.5595	0.5961	0.6101	0.6301
Lincolnshire-Riverwoods Fire Protection District	N/A	N/A	0.7480	0.7470	0.7470	0.7511	0.7467	N/A	0.8179	0.8533
Cook County Memorial Library District	0.3030	0.3120	0.3040	0.2890	0.2840	0.2840	0.2834	0.2857	0.2914	0.2880
Vernon Area Library District	N/A	N/A	0.3080	0.2930	0.2910	0.2939	0.2909	0.4337	0.3123	0.3199
School District No. 73	3.9970	4.1180	4.0330	3.8710	3.8250	3.8470	3.7402	3.3814	3.9162	4.0174
School District No. 76	N/A	N/A	4.8710	4.6800	4.5670	4.5799	4.5670	4.5969	4.6222	4.7373
School District No. 96	N/A	N/A	3.8700	3.6900	3.6550	3.7166	3.6955	3.9360	4.0316	4.1388
School District No. 103	N/A	N/A	3.0240	2.8770	2.8700	2.8884	0.3848	3.0800	3.1800	3.2980
High School District No. 120	N/A	N/A	2.7710	2.6200	2.5520	2.5431	2.5524	2.5115	2.4829	2.5189
High School District No. 125	N/A	N/A	3.0040	2.8580	2.8620	2.5021	2.8618	2.9831	3.0923	3.1922
High School District No. 128	2.9190	2.6870	2.7320	2.5320	2.4940	2.5020	2.5125	2.6034	2.6737	2.7500
Community College District No. 532	0.2960	0.3060	0.2990	0.2850	0.2810	0.2820	0.2815	0.2897	0.2935	0.2958
Total Overlapping Rates	9.2450	9.1853	29.2544	27.9281	27.5774	27.0895	24.8744	27.0644	28.7328	29.4378
Total Tax Rates	9.6900	9.6403	29.7122	28.3475	27.9937	27.5005	25.2946	27.4981	29.1786	29.8974

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, 2023 (Unaudited)**

Taxpayer	Rank	2023		Rank	2014	
		Taxable Assessed Value	Taxable Assessed Valuation		Taxable Assessed Value	Taxable Assessed Valuation
Westfield Shoppingtown Hawthorn	1	\$ 25,891,972	1.98%	1	\$ 20,250,267	1.95%
MFREVF III Vernon Hills LLC	2	19,670,724	1.50%			
Melody Farm LLC	3	18,564,400	1.42%			
Azure Partners LLC	4	17,362,432	1.33%			
Inland Rivertree Court, LLC	5	8,333,294	0.64%			
CDW Computer Centers Inc	6	8,234,614	0.63%	6	7,892,107	0.76%
Hawthorn Hill Square 1687 LLC	7	8,110,099	0.62%			
Menard, Inc	8	6,143,351	0.47%			
FPA/WC Commons LLC	9	5,979,002	0.46%			
Dfair Acquisitions LLC	10	5,691,646	0.43%			
Van Vlissingen & Co.				2	14,694,838	1.42%
Inland Real Estate				3	12,198,780	1.18%
Museum Gardens II LLC Development				4	11,968,661	1.15%
Leahy Vernon Hills Development				5	8,929,422	0.86%
PWA Continental Executive Park				7	7,118,368	0.69%
Hawthorn Hills				8	6,791,882	0.65%
Walmart Stores Inc.				9	5,227,678	0.50%
Corporate Woods Associates LLC				10	5,208,038	0.50%
Totals		123,981,534	9.48%		100,280,041	9.66%

Data Source: Office of the County Clerk

VERNON HILLS PARK DISTRICT, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
May 31, 2023 (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
2013	\$ 4,617,946	\$ 4,573,440	99.04%	\$ N/A	\$ 4,573,440	99.04%
2014	4,705,196	4,691,273	99.70%	N/A	4,691,273	99.70%
2015	4,939,790	108,805	2.20%	4,815,008	4,923,813	99.68%
2016	4,840,637	135,396	2.80%	4,700,872	4,836,268	99.91%
2017	4,987,201	543,166	10.89%	4,984,970	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%	5,366,751	5,627,276	99.58%
2022	5,994,031	215,656	3.60%	—	215,656	3.60%

Data Source: Office of the County Clerk

VERNON HILLS PARK DISTRICT, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
May 31, 2023 (Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Intergovernmental Loan			
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
2023	12,283,433	504,182	12,787,615	0.89%	477.9

(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, 2023 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available For Debt Service	Totals	Estimated Actual Taxable Value of Property (1)	Per Capita (2)
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
2023	12,283,433	171,169	12,112,264	0.93%	452.6

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, 2023 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to District (2) (3)	District's Share of Debt
Direct			
Vernon Hills Park District	\$ 12,787,615	100.00%	\$ 12,787,615
Overlapping Debt (1)			
Lake County	126,785,000	4.70%	5,958,895
Lake County Forest Preserve	166,060,000	4.70%	7,804,820
Village of Vernon Hills	29,070,000	100.00%	29,070,000
Unit School District #73	76,917,312	67.48%	51,903,802
Unit School District #76	9,520,000	25.47%	2,424,744
Unit School District #103	6,435,000	20.43%	1,314,671
High School District #120	53,265,000	1.01%	537,977
High School District #125	43,525,000	9.17%	3,991,243
Community College District #532	85,690,000	4.93%	4,224,517
Countryside Fire Protection District	445,000	62.80%	279,460
Total Overlapping Bonded Debt	597,712,312		107,510,129
Total Direct and Overlapping Debt	610,499,927		120,297,744

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, 2023 (Unaudited)

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS

**Legal Debt Margin Information - Last Ten Fiscal Years
May 31, 2023 (Unaudited)**

	2014	2015	2016	2017
Equalized Assessed Valuation	\$ 1,037,740,575	1,034,209,066	1,079,105,866	1,154,068,636
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	977,285	990,660	997,880	1,004,810
Legal Debt Margin	30,549,261	28,844,382	28,735,631	30,019,484
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

2018	2019	2020	2021	2022	2023
1,198,394,088	1,227,876,585	1,292,111,520	1,272,987,913	1,267,747,514	1,308,843,533
33,179,473	34,453,830	35,301,452	37,148,206	36,447,741	37,629,252
1,019,205	1,031,385	1,059,390	1,092,290	1,113,155	1,133,930
32,160,268	33,422,445	34,242,062	36,055,916	35,334,586	36,495,322
3.12%	3.05%	3.01%	2.94%	3.15%	3.11%
6,635,895	6,890,766	7,060,290	7,429,641	7,289,548	7,525,850
1,004,810	1,019,205	1,031,385	1,059,390	1,113,155	1,133,930
5,631,085	5,871,561	6,028,905	6,370,251	6,176,393	6,391,920
15.14%	14.79%	14.61%	14.26%	15.27%	15.07%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Value	<u>\$ 1,308,843,533</u>
Bonded Debt Limit - 2.875% of Assessed Value	37,629,252
Amount of Debt Applicable to Limit	<u>1,133,930</u>
Legal Debt Margin	<u>36,495,322</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years

May 31, 2023 (Unaudited)

Fiscal Year	Population	Personal Income (In Thousands of Dollars)	Per Capita Personal Income	Unemployment Rate
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%
2023	26,759	1,431,178	53,484	5.20%

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, 2023 (Unaudited)**

Employer	2022		2013	
	Rank	% of Total District Population	Rank	% of Total District Population
Westfield Hawthorn	1	7.45%	1	19.64%
Antylia Scientific	2	3.72%	3	3.14%
Consolidated Hospitality Supply	3	1.86%		
Mitsubishi Electric Automation, Inc.	4	1.49%	4	2.75%
CDW Computer Centers, Inc.	5	1.30%	5	2.75%
Rust-Oleum Company	6	1.30%	10	1.41%
Becton Dickinson	7	1.12%		
Cole-Palmer Instrument Co.	8	1.12%	6	2.36%
ZF Aftermath	9	1.12%	7	1.89%
Richard Wolf Medical Instruments Corp.	10	0.74%		
Zebra Technologies Corp			2	7.07%
ETA/Cuisenaire			9	1.57%
		<u>21.23%</u>		<u>44.16%</u>

Data Source: 2022 Illinois Manufacturers Directory, 2022 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, 2023 (Unaudited)

Function/Program	2014	2015	2016	2017
Full-Time Employees	44	46	50	50

Data Source: District Records

2018	2019	2020	2021	2022	2023
50	50	46	45	47	47

VERNON HILLS PARK DISTRICT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
May 31, 2023 (Unaudited)**

Fiscal Year	2014	2015	2016
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	4
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

2017	2018	2019	2020	2021	2022	2023
23	23	23	23	23	24	24
453	453	453	453	453	435	435
19	19	19	23	23	23	23
7	7	7	6	6	6	6
12	12	12	10	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	9	9	9	9
1	1	1	1	1	1	1
4	4	4	4	2	1	1
32	32	32	33	33	33	33
24	24	24	24	24	25	25
1	1	1	1	1	2	2
1	1	1	1	1	1	1
5	5	5	9	9	9	9
2	2	2	2	2	2	2
12	12	12	10	12	12	12
6	6	6	6	6	6	6
—	—	6	6	8	8	8

VERNON HILLS PARK DISTRICT, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
May 31, 2023 (Unaudited)**

Function	2014	2015	2016
Recreation			
Carrying Amount of Capital Assets	23,901,568	23,606,211	26,157,919

Source: District Records

2017	2018	2019	2020	2021	2022	2023
32,456,415	32,658,725	33,229,379	45,142,992	49,361,338	49,247,685	53,088,318