

VERNON HILLS PARK DISTRICT, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
MAY 31, 2025

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VERNON HILLS PARK DISTRICT, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED MAY 31, 2025

Prepared by:
Business Office

VERNON HILLS PARK DISTRICT, ILLINOIS

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INTRODUCTORY SECTION

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Principal Officials

May 31, 2025

BOARD OF PARK COMMISSIONERS

Carol Sente, President

David Doerhoefer, Vice President

Nancy Beaumont, Commissioner

Abra Jacobs, Commissioner

Bruce Robbins, Commissioner

ADMINISTRATIVE

Matthew LaPorte, Executive Director

Jessica Mitchell, Superintendent of Finance and Human Resources

Tom Ritter, Superintendent of Recreation/ADA Compliance Officer

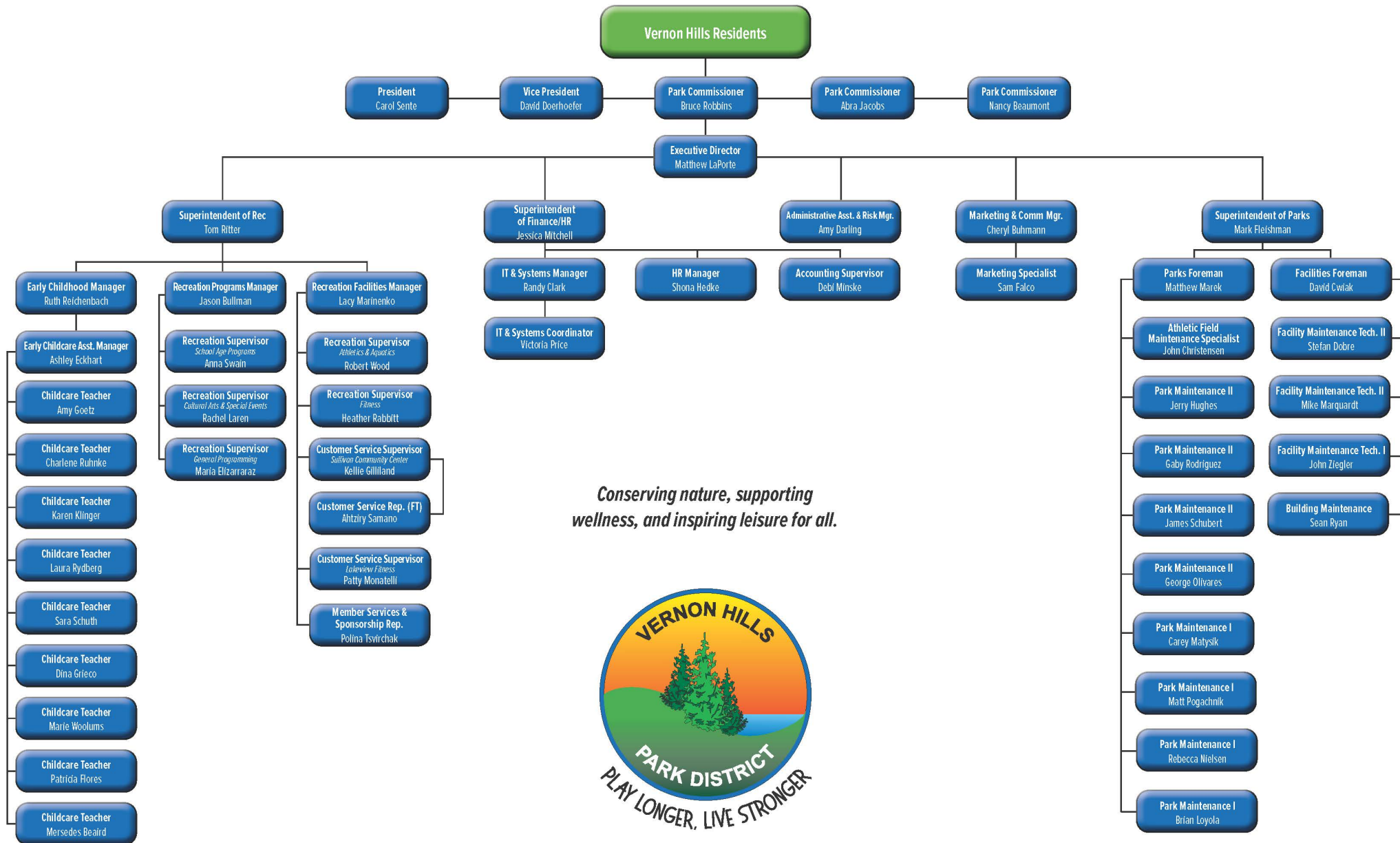
Mark Fleishman, Superintendent of Parks

Cheryl Buhmann, Marketing and Communications Manager

Lacy Marinenko, Facility Manager

Vernon Hills Park District Organizational Chart

Updated July 2025



*Conserving nature, supporting
wellness, and inspiring leisure for all.*





October 9, 2025

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, 2025, 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 27,002 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, 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, Glacier Ice Arena, White Deer Run Golf Course, the Vernon Hills Golf Course, newly renovated Hawthorn Mall, Melody Farm, the Arboretheater 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 quarterly 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 Comprehensive Plan, which currently covers the period 2024 to 2028. The District's overall direction and priorities are provided in a four-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 quarterly and the results are shared with the community annually.

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, repaid and/or replacement of existing facilities and equipment, as well as compliance with safety standards and legal requirements. Projects for fiscal year 2025 include the Hartmann Park OSLAD Grant project, roof replacements at Lakeview Fitness and Sullivan Community Center, continue Turtle Creek Waterpark updates, Century Park shoreline restoration and plaza repair, playground replacement and vehicle and equipment needs.

For the Future. Projects for fiscal years 2025 - 2026 include the seavy ditch restoration project, furnishings for Lakeview Fitness, Childcare and Sullivan Community Center. Lakeview Fitness HVAC unit replacement, Sullivan Community Center preschool playground shade structure, Turtle Creek Waterpark lazy river painting, canopies and furniture, as well as an OSLAD grant project at Grosse Pointe Park. Among some additional surfacing and playground projects within the District at Carriage Green, Garvanian and Century Park.

Debt Administration. As of May 31, 2025, the District had outstanding debt of \$11,607,700. \$11,271,580 in General Obligation Bonds principal and \$336,120 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, 2025, the remaining balance of the loan is \$336,120. 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, 2025, the District's aggregate outstanding debt of \$11,607,700 was well below the \$42,362,057 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, 2024. This was the 30th 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.

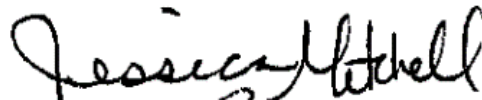
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 Leadership Team 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,



Matthew LaPorte
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, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITOR'S REPORT

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



INDEPENDENT AUDITOR'S REPORT

October 9, 2025

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, Illinois (the District), as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Hills Park District, Illinois, as of May 31, 2025, 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 supplementary 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 9, 2025, 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, 2025

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, 2025. 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 \$47,961,768 as a result of this year's operations. Net position increased by \$1,179,965, or 2.5 percent.
- During the year, government-wide revenues totaled \$13,520,639, while expenses totaled \$12,340,674, resulting in an ending net position of \$47,961,768.
- The District's net position totaled \$47,961,768 on May 31, 2025, which includes \$44,624,400 net investment in capital assets, \$12,835 subject to external restrictions, and \$3,324,533 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a decrease this year of \$672,447, or 44.9 percent, resulting in ending fund balance of \$824,208.

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).

Management Discussion and Analysis

May 31, 2025

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 Corporate Fund, Recreation Fund, Lakeview Fitness Fund, Special Recreation Fund, Bond Fund, and Capital Fund, which are considered major funds, and the Turtle Creek Waterpark Fund, a nonmajor fund.

The District adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule 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, 2025

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 \$47,961,768.

	Net Position	
	2025	2024
Current and Other Assets	\$ 14,153,846	16,087,487
Capital Assets	56,145,279	54,013,444
Total Assets	70,299,125	70,100,931
Deferred Outflows of Resources	698,786	718,961
Total Assets and Deferred Outflows	70,997,911	70,819,892
Long-Term Liabilities	11,340,257	11,703,807
Other Liabilities	5,032,654	5,665,333
Total Liabilities	16,372,911	17,369,140
Deferred Inflows of Resources	6,663,232	6,668,949
Total Liabilities and Deferred Inflows	23,036,143	24,038,089
Net Position		
Net Investment in Capital Assets	44,624,400	44,698,365
Restricted	12,835	37,995
Unrestricted	3,324,533	2,045,443
Total Net Position	47,961,768	46,781,803

A large portion of the District's net position, \$44,624,400 or 93.0 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, \$12,835 or 0.03 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining 6.9 percent, or \$3,324,533, 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, 2025****GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

	Change in Net Position	
	2025	2024
Revenues		
Program Revenues		
Charges for Services	\$ 5,044,540	4,981,944
Capital Grants/Contributions	1,105,159	126,885
General Revenues		
Property Taxes	6,361,464	6,014,121
Personal Property Replacement Tax	34,812	52,500
Investment Income (Loss)	373,013	409,890
Miscellaneous	601,651	161,698
Total Revenues	13,520,639	11,747,038
Expenses		
General Government	2,021,750	1,370,313
Parks and Recreation	9,877,717	9,571,183
Interest on Long-Term Debt	441,207	415,030
Total Expenses	12,340,674	11,356,526
Change in Net Position	1,179,965	390,512
Net Position - Beginning	46,781,803	46,391,291
Net Position - Ending	47,961,768	46,781,803

Net position of the District's governmental activities increased by 2.5 percent (\$47,961,768 in 2025 compared to \$46,781,803 in 2024).

VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2025

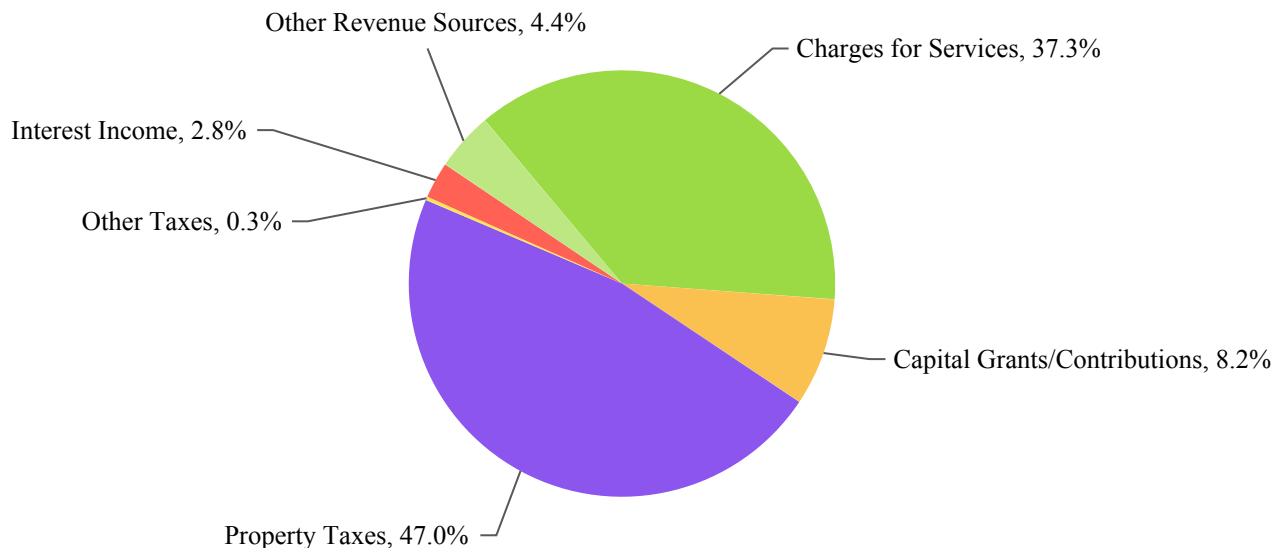
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities

Revenues for governmental activities totaled \$13,520,639, while the cost of all governmental functions totaled \$12,340,674. This results in an increase of \$1,179,965. In 2024, revenues of \$11,747,038 exceeded expenses of \$11,356,526, resulting in an increase of \$390,512. The increase in 2025 was due mainly to the receipt of the OSLAD capital grant of \$433,210 and DCEO capital grants of \$671,949.

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, interest income and other revenue sources.

Revenue by Source - Governmental Activities



VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2025

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

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

The District's governmental funds reported combining ending fund balances of \$4,670,060, which is a decrease of \$1,298,191, or 21.8 percent, from last year's total of \$5,968,251.

The General Fund reported a decrease in fund balance for the year of \$672,447, or 44.9 percent. The decrease was due to a decrease in personal property replacement taxes and miscellaneous income (\$34,812 and \$13,650 in 2025 compared to \$52,500 and \$18,666 in 2024; respectively) with expenditures increasing 11.53% (\$2,647,021 in 2025 compared to \$2,341,801 in 2024). The Board approved a \$500,000 transfer from the General Fund to the Capital Fund to be utilized for capital projects to serve the community.

The General Fund is the chief operating fund of the District. At May 31, 2025, unassigned fund balance in the General Fund was (\$252,131), which represents (30.6) 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 (9.5) percent of total General Fund expenditures.

The Recreation Fund reported an increase in fund balance for the year of \$317,822, or 12.7 percent. This increase was due in large part to an increase in property taxes, rental income and investment income (\$2,251,968, \$223,847 and \$87,542 in 2025 compared to \$2,075,371 \$212,530 and \$72,901 in 2024; respectively). 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 \$208,552, or 25.4 percent. This increase was due primarily to an increase in charges for services (\$1,981,789 in 2025 compared to \$1,883,907 in 2024) as attendance increased from the previous year.

The Special Recreation Fund reported a decrease in fund balance for the year of \$25,160, or 66.2 percent. This decrease was due to a transfer out to the Capital Fund for accessibility improvements in the current year.

The Bond Fund reported an increase in fund balance for the year of \$35,499, or 22.0 percent. The fund balance of \$197,118 in the Bond Fund is restricted for future debt service payments. This increase is due to property tax and bond issuance receipts that were greater than the principal and interest expenditures paid in the current year.

The Capital Fund reported a decrease in fund balance for the year of \$1,032,242, or 31.2 percent. The decrease is due mainly to an increase in expenses (\$3,903,258 in 2025 compared to \$3,002,057 in 2024) that were used for the Turtle Creek Waterpark sprayground construction and bathhouse remodel, Hartmann Park OSLAD project, Lakeview Fitness and Sullivan Community Center roof replacements, Lakeview Fitness indoor pool tile improvements, Park Department vehicle and equipment, Century Park Plaza construction, Hawthorn Melody playground and Hartmann Park playground resurfacing.

VERNON HILLS PARK DISTRICT, ILLINOIS

Management Discussion and Analysis

May 31, 2025

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 \$2,474,574, compared to budgeted revenues of \$2,482,753.

The General Fund actual expenditures for the year were \$26,883 higher than budgeted (\$2,647,021 actual compared to \$2,620,138 budgeted). The general government function's actual expenditures were higher than budgeted expenditures by \$28,746. Administration fees and IMRF employee benefits came in over budget and were offset by social security and health and life insurance benefits in the general government function. Parks and recreation function's actual expenditures were lower than budgeted expenditures by \$1,863.

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, 2025 was \$56,145,279 (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 Accumulated Depreciation	
	2025	2024
Land	\$ 10,715,011	10,715,011
Construction in Progress	3,265,791	2,439,418
Buildings and Improvements	36,264,125	36,519,877
Machinery and Equipment	5,646,199	4,145,553
Vehicles	254,153	193,585
Totals	56,145,279	54,013,444

This year's major capital asset additions included:

Construction in Progress	\$ 826,373
Buildings and Improvements	1,175,414
Machinery and Equipment	2,002,593
Vehicles	105,252
Total	4,109,632

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, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the District had total outstanding debt of \$11,607,700 as compared to \$12,172,536 the previous year, a decrease of 4.6 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2025	2024
General Obligation Bonds	\$ 11,271,580	11,752,385
Intergovernmental Loan	336,120	420,151
Totals	11,607,700	12,172,536

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 \$42,362,057.

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 Leadership Team considered many factors when setting the Fiscal 2025-2026 budget including tax rates, program fees, and the increasing operational and material costs. An additional factor considered for 2025 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 2025-2026 totals \$15,577,374, a decrease of \$397,012 from the final Fiscal 2024-2025 budget. New projects in the Fiscal Year 2025-2026 include the seavy ditch restoration project, furnishings for Lakeview Fitness, Childcare and Sullivan Community Center, Lakeview Fitness HVAC unit replacement, Sullivan Community Center preschool playground shade structure, Turtle Creek Waterpark lazy river painting, canopies, and furniture, lazy river and waterslide mechanical system and pool pump and filter replacement, as well as initiated the OSLAD grant project at Grosse Pointe Park. Some additional projects will include resurfacing and playground projects at Carriage Green Playground, Peterson Park, continued Century Park shoreline stabilization work, and Parks Department vehicle and equipment.

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, 2025

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS

Statement of Net Position

May 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 6,454,740
Receivables - Net of Allowances	7,697,826
Prepays	1,280
Total Current Assets	<u>14,153,846</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	13,980,802
Depreciable	65,699,510
Accumulated Depreciation	<u>(23,535,033)</u>
Total Noncurrent Assets	<u>56,145,279</u>
Total Assets	<u>70,299,125</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	682,865
Deferred Items - RBP	<u>15,921</u>
Total Deferred Outflows of Resources	<u>698,786</u>
Total Assets and Deferred Outflows of Resources	<u>70,997,911</u>

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

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 644,033
Accrued Payroll	159,577
Deposits Payable	2,800
Accrued Interest Payable	197,828
Other Payables	2,065,757
Current Portion of Long-Term Debt	<u>1,962,659</u>
Total Current Liabilities	<u>5,032,654</u>
Noncurrent Liabilities	
Compensated Absences Payable	266,530
Net Pension Liability - IMRF	1,059,670
Total OPEB Liability - RBP	223,316
General Obligation Bonds Payable - Net	9,538,652
Intergovernmental Loan	<u>252,089</u>
Total Noncurrent Liabilities	<u>11,340,257</u>
Total Liabilities	<u>16,372,911</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	6,611,619
Deferred Items - IMRF	<u>51,613</u>
Total Deferred Inflows of Resources	<u>6,663,232</u>
Total Liabilities and Deferred Inflows of Resources	<u>23,036,143</u>
NET POSITION	
Net Investment in Capital Assets	44,624,400
Restricted	
Special Recreation	12,835
Unrestricted	<u>3,324,533</u>
Total Net Position	<u><u>47,961,768</u></u>

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended May 31, 2025

		Program Revenues			Net
		Charges	Operating	Capital	(Expenses)/
		for	Grants/	Grants/	Revenues
	Expenses	Services	Contributions	Contributions	Governmental
					Activities
Governmental Activities					
General Government	\$ 2,021,750	—	—	—	(2,021,750)
Parks and Recreation	9,877,717	5,044,540	—	1,105,159	(3,728,018)
Interest on Long-Term Debt	441,207	—	—	—	(441,207)
Total Governmental Activities	12,340,674	5,044,540	—	1,105,159	(6,190,975)
General Revenues					
Taxes					
Property Taxes					
Intergovernmental - Unrestricted					
Personal Property Replacement Tax					
Investment Income					
Miscellaneous					
7,370,940					
Change in Net Position					1,179,965
Net Position - Beginning					46,781,803
Net Position - Ending					47,961,768

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

May 31, 2025

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS**Balance Sheet - Governmental Funds****May 31, 2025**

	General	Recreation
ASSETS		
Cash and Investments	\$ 268,294	3,654,428
Receivables - Net of Allowances		
Property Taxes	2,221,704	2,104,613
Accounts	—	1,043,406
Advances to Other Funds	1,075,059	—
Prepays	1,280	—
Total Assets	3,566,337	6,802,447
LIABILITIES		
Accounts Payable	284,097	73,413
Accrued Payroll	26,594	82,426
Deposits Payable	—	2,800
Other Payables	224	1,526,547
Advances from Other Funds	—	—
Total Liabilities	310,915	1,685,186
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	2,431,214	2,303,081
Total Liabilities and Deferred Inflows of Resources	2,742,129	3,988,267
FUND BALANCES		
Nonspendable	1,076,339	—
Restricted	—	—
Assigned	—	2,814,180
Unassigned	(252,131)	—
Total Fund Balances	824,208	2,814,180
Total Liabilities, Deferred Inflows of Resources and Fund Balances	3,566,337	6,802,447

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

Special Revenue		Debt Service Bond	Capital Projects Capital	Nonmajor Turtle Creek Waterpark	
Lakeview Fitness	Special Recreation				Totals
—	74,578	308,106	2,149,334	—	6,454,740
—	538,595	1,176,951	—	6,073	6,047,936
283,247	—	—	323,237	—	1,649,890
—	—	—	—	—	1,075,059
—	—	—	—	—	1,280
283,247	613,173	1,485,057	2,472,571	6,073	15,228,905
51,594	10,430	—	193,696	30,803	644,033
39,851	523	—	—	10,183	159,577
—	—	—	—	—	2,800
437,567	—	—	—	101,419	2,065,757
367,666	—	—	—	707,393	1,075,059
896,678	10,953	—	193,696	849,798	3,947,226
—	589,385	1,287,939	—	—	6,611,619
896,678	600,338	1,287,939	193,696	849,798	10,558,845
—	—	—	—	—	1,076,339
—	12,835	197,118	—	—	209,953
—	—	—	2,278,875	—	5,093,055
(613,431)	—	—	—	(843,725)	(1,709,287)
(613,431)	12,835	197,118	2,278,875	(843,725)	4,670,060
283,247	613,173	1,485,057	2,472,571	6,073	15,228,905

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, 2025

Total Governmental Fund Balances	\$ 4,670,060
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.	56,145,279
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	631,252
Deferred Items - RBP	15,921
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(333,163)
Net Pension Liability - IMRF	(1,059,670)
Total OPEB Liability - RBP	(246,780)
General Obligation Bonds - Net	(11,327,183)
Intergovernmental Loan	(336,120)
Accrued Interest Payable	(197,828)
Net Position of Governmental Activities	<u>47,961,768</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, 2025**

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, 2025**

	General	Recreation
Revenues		
Taxes	\$ 2,317,044	2,251,968
Intergovernmental	34,812	—
Charges for Services	—	2,697,190
Investment Income	109,068	87,542
Miscellaneous	13,650	91,693
Total Revenues	2,474,574	5,128,393
Expenditures		
General Government	1,163,712	—
Parks and Recreation	1,299,184	4,870,127
Capital Outlay	—	—
Debt Service		
Principal Retirement	—	—
Interest and Fiscal Charges	184,125	—
Total Expenditures	2,647,021	4,870,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	(172,447)	258,266
Other Financing Sources (Uses)		
Debt Issuance	—	—
Transfers In	—	80,000
Transfers Out	(500,000)	(20,444)
	(500,000)	59,556
Net Change in Fund Balances	(672,447)	317,822
Fund Balances - Beginning	1,496,655	2,496,358
Fund Balances - Ending	824,208	2,814,180

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

Special Revenue		Debt Service Bond	Capital Projects Capital	Nonmajor Turtle Creek Waterpark	
Lakeview Fitness	Special Recreation				Totals
—	550,482	1,241,970	—	—	6,361,464
—	—	—	1,105,159	—	1,139,971
1,981,789	—	—	—	365,561	5,044,540
—	529	4,749	171,125	—	373,013
—	—	—	494,405	1,903	601,651
1,981,789	551,011	1,246,719	1,770,689	367,464	13,520,639
—	—	—	—	—	1,163,712
1,834,006	229,565	—	—	518,123	8,751,005
—	—	—	3,903,258	—	3,903,258
—	—	1,796,416	—	—	1,796,416
—	—	251,894	—	—	436,019
1,834,006	229,565	2,048,310	3,903,258	518,123	16,050,410
147,783	321,446	(801,591)	(2,132,569)	(150,659)	(2,529,771)
—	—	1,231,580	—	—	1,231,580
60,769	—	—	1,241,096	20,444	1,402,309
—	(346,606)	(394,490)	(140,769)	—	(1,402,309)
60,769	(346,606)	837,090	1,100,327	20,444	1,231,580
208,552	(25,160)	35,499	(1,032,242)	(130,215)	(1,298,191)
(821,983)	37,995	161,619	3,311,117	(713,510)	5,968,251
(613,431)	12,835	197,118	2,278,875	(843,725)	4,670,060

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, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (1,298,191)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	4,109,632
Depreciation Expense	(1,977,797)
Disposals - Cost	(2,633,542)
Disposals - Accumulated Depreciation	2,633,542

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

Change in Deferred Items - IMRF	50,751
Change in Deferred Items - RBP	278

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	8,394
Change in Net Pension Liability/(Asset) - IMRF	(258,385)
Change in Total OPEB Liability - RBP	(14,365)
Retirement of Debt	1,796,416
Issuance of Debt	(1,231,580)
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.

(12,139)

Changes in Net Position of Governmental Activities

1,179,965

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

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 District's accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

The District is a municipal corporation governed by an elected president, elected vice president and three-member Board of Commissioners. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds and there are no discretely component units to include 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. The District does not have business-type 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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

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

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

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

Fund Financial Statements

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

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

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, 2025

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 Turtle Creek Waterpark 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 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.

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, 2025

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 FUND BALANCE/NET POSITION

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, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - 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.

Prepays

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

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.

Notes to the Financial Statements

May 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/
NET POSITION - Continued**

Compensated Absences

The District's policy allows full time and part time employees to earn varying amounts of sick and vacation pay for each year employed.

Full time employees accrue vacation between two to four weeks. Employees are eligible to accrue vacation based on their length of service with the District.

Upon separation of employment any unused and accrued vacation is paid out to the employee.

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

Long-Term Obligations

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

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

Net Position

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

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

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

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

Notes to the Financial Statements

May 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/
NET POSITION - Continued**

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The District follows these procedures in establishing the budgetary data:

- a. The Superintendent of Recreation, the Superintendent of Parks, the Facility Manager and the Marketing and Communication Manager present detailed budget requests by general ledger line item to the Superintendent of Finance and Human Resources in January.
- b. The Superintendent of Finance and Human Resources reviews the proposed budget with the Executive Director in January.
- c. Two budget workshops are held with the Executive Director, Division Heads and Park Board in February and March. The February workshop includes a review of the capital improvement projects to be included in the budget.
- d. A Budget and Appropriations hearing is held at a special Board meeting in May.
- e. Budgets for the Funds are legally adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Capital, and Debt Service Funds, 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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
General	\$ 26,883
Lakeview Fitness	32,424
Special Recreation	11,212
Bond	1,424
Capital Projects	314,313
Turtle Creek Waterpark	48,783

DEFICIT FUND BALANCES

The following funds have deficit fund balances as of the date of this report:

Fund	Deficit
Lakeview Fitness	\$ 613,431
Turtle Creek Waterpark	843,725

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 \$6,083,717 and the bank balances totaled \$5,991,862.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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. Agencies	\$ 365,000	—	365,000	—	—
IPRIME	6,023	6,023	—	—	—
	371,023	6,023	365,000	—	—

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

- U.S. Agencies of \$365,000 are valued using quoted market prices (Level 2 inputs)
- IPRIME of \$6,023 are valued using a matrix pricing model (Level 2 inputs)

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by avoiding any investment transaction or practice which in appearance or fact might impair public confidence in the District's stewardship of public funds. The District limits investments to instruments authorized under state statute. The District's policy does not further limit investments of the District. At year-end, the District's investment in U.S Agencies were rated AAA/AA+ by Standard & Poor's and in IPRIME were rated AAAM by Standard & Poor's.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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.

PROPERTY TAXES

Property taxes for 2024 attach as an enforceable lien on January 1, 2024, 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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND ADVANCES

Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Lakeview Fitness	\$ 367,666
General	Nonmajor	<u>707,393</u>
		<u>1,075,059</u>

Interfund advances represent receipts to cover temporary cash shortages.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Recreation	Capital	\$ 80,000 (3)
Lakeview Fitness	Capital	60,769 (3)
Capital	General	500,000 (1)
Capital	Special Recreation	346,606 (1)
Capital	Bond	394,490 (1)
Nonmajor	Recreation	<u>20,444 (2)</u>
		<u>1,402,309</u>

Transfers are used to (1) move revenues to support capital projects related to those individual funds, (2) to apply cost of camp visits to Turtle Creek Waterpark revenue in the operating transfer from the Recreation Fund, (3) to return funds over appropriated for capital projects.

VERNON HILLS PARK DISTRICT, ILLINOIS**Notes to the Financial Statements****May 31, 2025****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	2,439,418	826,373	—	3,265,791
	<u>13,154,429</u>	<u>826,373</u>	<u>—</u>	<u>13,980,802</u>
Depreciable Capital Assets				
Buildings and Improvements	55,381,068	1,175,414	2,587,419	53,969,063
Machinery and Equipment	8,806,090	2,002,593	46,123	10,762,560
Vehicles	862,635	105,252	—	967,887
	<u>65,049,793</u>	<u>3,283,259</u>	<u>2,633,542</u>	<u>65,699,510</u>
Less Accumulated Depreciation				
Buildings and Improvements	18,861,191	1,431,166	2,587,419	17,704,938
Machinery and Equipment	4,660,537	501,947	46,123	5,116,361
Vehicles	669,050	44,684	—	713,734
	<u>24,190,778</u>	<u>1,977,797</u>	<u>2,633,542</u>	<u>23,535,033</u>
Total Net Depreciable Capital Assets	<u>40,859,015</u>	<u>1,305,462</u>	<u>—</u>	<u>42,164,477</u>
Total Net Capital Assets	<u>54,013,444</u>	<u>2,131,835</u>	<u>—</u>	<u>56,145,279</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 644,711
Parks and Recreation	<u>1,333,086</u>
	<u>1,977,797</u>

VERNON HILLS PARK DISTRICT, ILLINOIS**Notes to the Financial Statements****May 31, 2025****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
\$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.	\$ 5,455,000	—	530,000	4,925,000
\$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 4.00% through December 15, 2042.	5,115,000	—	—	5,115,000
\$1,182,385 General Obligation Limited Tax Park Bonds of 2023B due in one installment of \$1,182,385 plus interest at 4.29% through December 1, 2024.	1,182,385	—	1,182,385	—
\$1,231,580 General Obligation Limited Tax Park Bonds of 2024 due in one installment of \$1,231,580 plus interest at 3.58% interest through December 1, 2025.	—	1,231,580	—	1,231,580
	11,752,385	1,231,580	1,712,385	11,271,580

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

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	\$ 341,557	—	8,394	333,163	66,633
Net Pension Liability - IMRF	801,285	258,385	—	1,059,670	—
Total OPEB Liability - RBP	232,415	14,365	—	246,780	23,464
General Obligation Bonds	11,752,385	1,231,580	1,712,385	11,271,580	1,781,580
Unamortized Bond Premium	62,554	—	6,951	55,603	6,951
Intergovernmental Loan	420,151	—	84,031	336,120	84,031
	<u>13,610,347</u>	<u>1,504,330</u>	<u>1,811,761</u>	<u>13,302,916</u>	<u>1,962,659</u>

Payments on the net pension liability and total OPEB liability are liquidated by the General 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, 2025 the total intergovernmental loan payable is \$336,120. The annual debt service requirements to maturity are as follows:

Fiscal Year	Payment
2026	\$ 84,031
2027	84,031
2028	84,031
2029	<u>84,027</u>
	<u><u>336,120</u></u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

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
2026	\$ 1,781,580	395,951
2027	570,000	335,850
2028	590,000	318,754
2029	610,000	301,050
2030	635,000	282,750
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	11,271,580	3,560,255

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

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 than .575% of the value of the taxable property therein, is presented to the Board and such increase is approved by the voters of the district at a referendum held on the question."

Assessed Valuation - 2024	<u>\$ 1,473,462,860</u>
Legal Debt Limit - 2.875% of Assessed Value	42,362,057
Amount of Debt Applicable to Limit	
General Obligation Limited Tax	
Park Bonds of 2024	<u>1,231,580</u>
Legal Debt Margin	<u>41,130,477</u>
Non-Referendum Legal Debt Limit	
0.575% of Equalized Assessed Value	8,472,411
Amount of Debt Applicable to Limit	
General Obligation Limited Tax	
Park Bonds of 2023B	<u>1,231,580</u>
Non-Referendum Legal Debt Margin	<u>7,240,831</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

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, 2025:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 56,145,279
Less Capital Related Debt:	
General Obligation Park Bonds of 2016A	(4,925,000)
General Obligation Park Bonds of 2023A	(5,115,000)
General Obligation Limited Tax Park Bonds of 2024	(1,231,580)
Unamortized Bond Premium	(55,603)
Capital Related Accounts Payable	(193,696)
Net Investment in Capital Assets	<u>44,624,400</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	Recreation	Lakeview Fitness	Special Recreation	Debt Service Bond	Capital Projects Capital	Nonmajor Turtle Creek Waterpark	Totals
Fund Balances								
Nonspendable								
Advances	\$ 1,075,059	—	—	—	—	—	—	1,075,059
Prepays	1,280	—	—	—	—	—	—	1,280
	<u>1,076,339</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,076,339</u>
Restricted								
Special Recreation	—	—	—	12,835	—	—	—	12,835
Debt Service	—	—	—	—	197,118	—	—	197,118
	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,835</u>	<u>197,118</u>	<u>—</u>	<u>—</u>	<u>209,953</u>
Assigned								
Recreation	—	2,814,180	—	—	—	—	—	2,814,180
Capital Projects	—	—	—	—	—	2,278,875	—	2,278,875
	<u>—</u>	<u>2,814,180</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,278,875</u>	<u>—</u>	<u>5,093,055</u>
Unassigned	(252,131)	—	(613,431)	—	—	—	(843,725)	(1,709,287)
Total Fund Balances	<u>824,208</u>	<u>2,814,180</u>	<u>(613,431)</u>	<u>12,835</u>	<u>197,118</u>	<u>2,278,875</u>	<u>(843,725)</u>	<u>4,670,060</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

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

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES - Continued

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.

JOINT VENTURES

Special Recreation Association of Central Lake County (SRACLC)

The District is a member of the Special Recreation Association of Central Lake County (SRACLC), a cooperative formed by Member Agencies to provide community based Therapeutic Recreation services to individuals with disabilities and their families and to share the expenses of such programs on a cooperative basis. Contribution requirements are determined based on a percentage of the individual member's equalized assessed valuation and population as defined. The District contributed \$185,293 to SRACLC during the fiscal year ended May 31, 2025.

The District does not exercise direct oversight of SRACLC, and accordingly, SRACLC has not been included in these basic financial statements. The audited financial statements of SRACLC are available at 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.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

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

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2024 and the statement of revenues and expenses for the period ending December 31, 2024. The District's portion of the overall equity of the pool is 0.127% or \$51,133.

Assets	\$ 57,489,173
Deferred Outflows of Resources - Pension	1,504,673
Liabilities	18,636,379
Deferred Inflows of Resources - Pension	47,361
Total Net Position	40,310,107
Operating Revenues	22,016,322
Nonoperating Revenues	3,089,028
Expenditures	25,474,173

Since 94.31% 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, 2025

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, 2024 and the statement of revenues and expenses for the period ending December 31, 2024.

Assets	\$ 22,695,597
Deferred Outflows of Resources - Pension	644,861
Liabilities	6,562,853
Deferred Inflows of Resources - Pension	20,297
Total Net Position	16,757,306
Operating Revenues	41,255,784
Nonoperating Revenues	1,201,472
Expenditures	44,354,600

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, 2025

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, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	30
Inactive Plan Members Entitled to but not yet Receiving Benefits	70
Active Plan Members	<u>56</u>
Total	<u><u>156</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, 2025, the District's contribution was 7.01% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

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, 2024, 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 non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	5.20%
Domestic Equities	33.50%	4.35%
International Equities	18.00%	5.40%
Real Estate	10.50%	6.40%
Blended	12.50%	4.85% - 6.25%
Cash and Cash Equivalents	1.00%	3.60%

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate

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

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 2,735,658	1,059,670	(262,535)

VERNON HILLS PARK DISTRICT, ILLINOIS**Notes to the Financial Statements****May 31, 2025****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2023	\$ 12,222,264	11,420,979	801,285
Changes for the Year:			
Service Cost	278,781	—	278,781
Interest on the Total Pension Liability	881,176	—	881,176
Difference Between Expected and Actual Experience of the Total Pension Liability	397,629	—	397,629
Changes of Assumptions	—	—	—
Contributions - Employer	—	238,003	(238,003)
Contributions - Employees	—	150,488	(150,488)
Net Investment Income	—	1,091,569	(1,091,569)
Benefit Payments, Including Refunds of Employee Contributions	(415,010)	(415,010)	—
Other (Net Transfer)	—	(180,859)	180,859
Net Changes	1,142,576	884,191	258,385
Balances at December 31, 2024	13,364,840	12,305,170	1,059,670

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

For the year ended May 31, 2025, the District recognized pension expense of \$446,383. At May 31, 2025, 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, 2025

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	\$ 320,984	(41,440)	279,544
Change in Assumptions	—	(10,173)	(10,173)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	262,270	—	262,270
Total Expense to be Recognized in Future Periods	583,254	(51,613)	531,641
Contributions made Subsequent to the Measurement Date	99,611	—	99,611
 Total Deferred Amounts Related to IMRF	 682,865	 (51,613)	 631,252

\$99,611 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, 2026. 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
2026	\$ 217,071
2027	424,419
2028	(55,636)
2029	(54,213)
2030	—
Thereafter	—
 Total	 531,641

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

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, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>51</u>
Total	<u><u>52</u></u>

Total OPEB Liability

The District's total OPEB liability was measured as of September 30, 2024, and was determined by an actuarial valuation as of September 30, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the September 30, 2023 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	3.81%
Healthcare Cost Trend Rates	
PPO 2000	6.80% Graded to 5.00% until the ultimate trend rate is reached in 2033.
HMO	7.60% Graded to 5.00% until the ultimate trend rate is reached in 2033.
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 dated December 14, 2020; Age 83 for Males, Age 87 for Females.

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at May 31, 2024	\$ 232,415
Changes for the Year:	
Service Cost	25,231
Interest on the Total OPEB Liability	9,026
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	3,572
Benefit Payments	(23,464)
Net Changes	14,365
Balance at May 31, 2025	246,780

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

The discount rate used to measure the total pension liability was 3.81%, while the prior valuation used 4.09%. 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 (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
Total OPEB Liability	\$ 259,985	246,780	234,284

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	\$ 224,085	246,780	273,683

VERNON HILLS PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

May 31, 2025

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, 2025, the District recognized OPEB expense of \$37,551. At May 31, 2025, 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	15,921	—	15,921
Total Deferred Amounts Related to OPEB	15,921	—	15,921

\$15,921 of employer contributions were 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
2026	\$ —
2027	—
2028	—
2029	—
2030	—
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 - Last Ten Fiscal Years
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Fiscal Years
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 - Last Ten Fiscal Years

May 31, 2025

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%
2024	232,984	232,984	—	3,263,681	7.14%
2025	238,749	238,749	—	3,404,293	7.01%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

VERNON HILLS PARK DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Fiscal Years

May 31, 2025

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 246,791	283,775	282,497
Interest	530,225	566,176	595,717
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(40,030)	(170,955)	93,143
Change of Assumptions	9,913	(20,431)	(257,979)
Benefit Payments, Including Refunds of Member Contributions	(292,792)	(257,814)	(310,642)
Net Change in Total Pension Liability	454,107	400,751	402,736
Total Pension Liability - Beginning	7,102,110	7,556,217	7,956,968
Total Pension Liability - Ending	7,556,217	7,956,968	8,359,704
Plan Fiduciary Net Position			
Contributions - Employer	\$ 270,726	274,482	280,971
Contributions - Members	118,509	121,333	126,563
Net Investment Income	31,102	423,257	1,112,789
Benefit Payments, Including Refunds of Member Contributions	(292,792)	(257,814)	(310,642)
Other (Net Transfer)	(237,404)	20,706	(50,158)
Net Change in Plan Fiduciary Net Position	(109,859)	581,964	1,159,523
Plan Net Position - Beginning	6,172,223	6,062,364	6,644,328
Plan Net Position - Ending	6,062,364	6,644,328	7,803,851
Employer's Net Pension Liability/(Asset)	\$ 1,493,853	1,312,640	555,853
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.23%	83.50%	93.35%
Covered Payroll	\$ 2,633,520	2,696,277	2,812,517
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	56.72%	48.68%	19.76%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2021. Changes in assumptions related to the demographics were made in 2015 and 2017.

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
278,931	287,754	294,490	238,851	269,496	279,045	278,781
621,926	659,026	711,814	738,005	787,273	827,385	881,176
—	—	—	—	—	—	—
19,066	154,490	(138,054)	89,059	(111,423)	52,202	397,629
267,797	—	(87,869)	—	—	(11,487)	—
(413,648)	(375,269)	(377,790)	(404,815)	(398,551)	(395,144)	(415,010)
774,072	726,001	402,591	661,100	546,795	752,001	1,142,576
8,359,704	9,133,776	9,859,777	10,262,368	10,923,468	11,470,263	12,222,264
9,133,776	9,859,777	10,262,368	10,923,468	11,470,263	12,222,264	13,364,840
266,889	242,071	247,726	266,126	247,057	227,188	238,003
127,360	132,864	121,375	126,861	135,759	142,964	150,488
(355,049)	1,339,998	1,253,175	1,678,241	(1,353,114)	1,095,226	1,091,569
(413,648)	(375,269)	(377,790)	(404,815)	(398,551)	(395,144)	(415,010)
165,676	57,219	69,100	(103,028)	(410,135)	260,796	(180,859)
(208,772)	1,396,883	1,313,586	1,563,385	(1,778,984)	1,331,030	884,191
7,803,851	7,595,079	8,991,962	10,305,548	11,868,933	10,089,949	11,420,979
7,595,079	8,991,962	10,305,548	11,868,933	10,089,949	11,420,979	12,305,170
1,538,697	867,815	(43,180)	(945,465)	1,380,314	801,285	1,059,670
83.15%	91.20%	100.42 %	108.66%	87.97%	93.44%	92.07%
2,830,219	2,954,568	2,610,950	2,819,127	2,987,374	3,173,026	3,356,878
54.37%	29.37%	(1.65%)	(33.54%)	46.20%	25.25%	31.57%

VERNON HILLS PARK DISTRICT, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

May 31, 2025

	<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>114,206</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 2025.

5/31/2020	5/31/2021	5/31/2022	5/31/2023	5/31/2024	5/31/2025
9,290	9,776	9,216	5,618	4,672	25,231
5,133	3,657	8,740	7,426	10,434	9,026
—	—	—	—	—	—
(810)	433,113	28,546	—	(32,711)	—
11,639	(181,391)	(95,611)	(57,392)	3,767	3,572
(1,377)	(1,414)	(12,717)	(22,771)	(26,624)	(23,464)
23,875	263,741	(61,826)	(67,119)	(40,462)	14,365
114,206	138,081	401,822	339,996	272,877	232,415
138,081	401,822	339,996	272,877	232,415	246,780
2,645,104	2,711,232	2,786,783	2,945,313	3,126,612	3,310,915
5.22%	14.82%	12.20%	9.26%	7.43%	7.45%

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, 2025

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,310,000	2,310,000	2,317,044
Intergovernmental			
Replacement Taxes	56,781	56,781	34,812
Investment Income	100,187	100,187	109,068
Miscellaneous	15,785	15,785	13,650
Total Revenues	2,482,753	2,482,753	2,474,574
Expenditures			
General Government			
Business Services	803,735	803,735	860,329
Employee Benefits	331,231	331,231	303,383
Parks and Recreation	1,301,047	1,301,047	1,299,184
Debt Service			
Interest and Fiscal Charges	184,125	184,125	184,125
Total Expenditures	2,620,138	2,620,138	2,647,021
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,385)	(137,385)	(172,447)
Other Financing (Uses)			
Transfers Out	—	—	(500,000)
Net Change in Fund Balance	(137,385)	(137,385)	(672,447)
Fund Balance - Beginning			1,496,655
Fund Balance - Ending			824,208

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, 2025**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,258,531	2,258,531	2,251,968
Charges for Services			
Program Fees	2,726,177	2,726,177	2,473,343
Rental	217,300	217,300	223,847
Investment Income	89,096	89,096	87,542
Miscellaneous	90,963	90,963	91,693
Total Revenues	5,382,067	5,382,067	5,128,393
Expenditures			
Parks and Recreation	4,903,090	4,903,090	4,870,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	478,977	478,977	258,266
Other Financing Sources (Uses)			
Transfers In	—	—	80,000
Transfers Out	(28,109)	(28,109)	(20,444)
	(28,109)	(28,109)	59,556
Net Change in Fund Balance	450,868	450,868	317,822
Fund Balance - Beginning			2,496,358
Fund Balance - Ending			2,814,180

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, 2025**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Fitness	\$ 1,766,729	1,766,729	1,745,677
Child Care	5,462	5,462	7,941
Aquatics	174,485	174,485	156,907
Rental Income	70,000	70,000	61,738
Miscellaneous	1,300	1,300	9,526
Total Revenues	2,017,976	2,017,976	1,981,789
Expenditures			
Parks and Recreation	1,801,582	1,801,582	1,834,006
Excess (Deficiency) of Revenues Over (Under) Expenditures	216,394	216,394	147,783
Other Financing Sources			
Transfers In	—	—	60,769
Net Change in Fund Balance	216,394	216,394	208,552
Fund Balance - Beginning			(821,983)
Fund Balance - Ending			(613,431)

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, 2025**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 552,086	552,086	550,482
Investment Income	—	—	529
Total Revenues	552,086	552,086	551,011
Expenditures			
Park and Recreation			
Special Recreation Services	218,353	218,353	229,565
Excess (Deficiency) of Revenues Over (Under) Expenditures	333,733	333,733	321,446
Other Financing (Uses)			
Transfers Out	(346,606)	(346,606)	(346,606)
Net Change in Fund Balance	(12,873)	(12,873)	(25,160)
Fund Balance - Beginning			37,995
Fund Balance - Ending			12,835

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 schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Budgetary Comparison Schedule - Nonmajor Governmental Fund

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.

Turtle Creek Waterpark

The Turtle Creek Waterpark 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, 2025**

	Budget		Actual
	Original	Final	
General Government			
Business Services			
Legal Fees	\$ 25,000	25,000	28,385
Professional Fees	12,974	12,974	21,421
Contractual Services	368,504	368,504	379,416
Liability Insurance	154,706	154,706	155,781
Bank Fees and Credit Card Charges	80,878	80,878	92,521
Technology	124,843	124,843	136,506
Supplies and Safety Equipment	36,830	36,830	46,299
Total Business Services	803,735	803,735	860,329
Employee Benefits			
IMRF	50,186	50,186	58,459
Social Security	62,264	62,264	57,016
Health and Life Insurance	218,781	218,781	187,908
Total Employee Benefits	331,231	331,231	303,383
Total General Government	1,134,966	1,134,966	1,163,712
Parks and Recreation			
Salaries and Wages			
Maintenance Workers - Full-Time	669,260	669,260	694,015
Maintenance Workers - Part-Time	84,400	84,400	82,891
Services			
Clothing and Uniforms	8,825	8,825	8,507
Training and Travel	9,920	9,920	12,491
Supplies and Equipment			
Maintenance Supplies	202,640	202,640	202,193
Office Supplies	2,000	2,000	2,033
Equipment	32,350	32,350	31,759
Utilities	54,607	54,607	54,793
Repairs/Improvements	237,045	237,045	210,502
Total Parks and Recreation	1,301,047	1,301,047	1,299,184
Debt Service			
Interest and Fiscal Charges	184,125	184,125	184,125
Total Expenditures	2,620,138	2,620,138	2,647,021

VERNON HILLS PARK DISTRICT, ILLINOIS**Recreation - Special Revenue Fund****Schedule of Expenditures - Budget and Actual****For the Fiscal Year Ended May 31, 2025**

	Budget		Actual
	Original	Final	
Parks and Recreation			
Administration			
Salaries and Wages	\$ 134,405	134,405	149,856
Services			
Training and Travel	29,434	29,434	31,060
Utilities	8,340	8,340	9,728
Miscellaneous	600	600	29,860
Total Administration	172,779	172,779	220,504
Employee Benefits			
IMRF	158,923	158,923	191,187
Social Security	290,151	290,151	282,358
Health and Life Insurance	688,716	688,716	689,547
Other	60,896	60,896	75,730
Total Employee Benefits	1,198,686	1,198,686	1,238,822
Programs			
Salaries and Wages			
Recreation - Full-Time	1,033,399	1,033,399	1,025,698
Recreation - Part-Time	615,709	615,709	586,823
Supervision - Full-Time	333,795	333,795	333,356
Customer Service - Part-Time	66,060	66,060	60,568
Services			
Contractual	126,682	126,682	109,157
Recreation Contractors	481,837	481,837	434,651
Officials	23,297	23,297	22,036
Training and Travel	1,675	1,675	1,690
Utilities	6,187	6,187	7,420
League/Tourney Fees	131,953	131,953	121,510
Supplies and Equipment			
Recreation Supplies	70,320	70,320	56,007
Clothing	14,015	14,015	12,592
Recreation Equipment	4,475	4,475	3,598
Total Programs	2,909,404	2,909,404	2,775,106

VERNON HILLS PARK DISTRICT, ILLINOIS

Recreation - Special Revenue Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended May 31, 2025

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Facilities			
Sullivan Center			
Salaries and Wages			
Maintenance Workers - Full-Time	\$ 166,738	166,738	204,443
Maintenance Workers - Part-Time	50,645	50,645	37,788
Services			
Contractual	56,592	56,592	72,028
Utilities	98,300	98,300	93,445
Supplies and Equipment			
Building Supplies	1,050	1,050	1,156
Custodial Supplies	14,500	14,500	9,598
Repairs and Maintenance			
Equipment	23,280	23,280	11,040
Building and Grounds Improvements	24,700	24,700	80,685
Total Sullivan Center	435,805	435,805	510,183
Hartmann Pavilion			
Contractual	1,365	1,365	—
Utilities	4,620	4,620	4,970
Building Supplies	355	355	230
Building and Grounds Improvements	23,000	23,000	21,583
Total Hartmann Pavilion	29,340	29,340	26,783
Century Park Pavilion			
Wages - Part-Time	768	768	448
Services			
Contractual	1,675	1,675	1,055
Utilities	6,165	6,165	5,014
Building Supplies	475	475	123
Building and Grounds Improvements	1,000	1,000	1,481
Total Century Park Pavilion	10,083	10,083	8,121

VERNON HILLS PARK DISTRICT, ILLINOIS

Recreation - Special Revenue Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended May 31, 2025

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Facilities - Continued			
SRACLC Building			
Building and Grounds Improvements	\$ 4,135	4,135	3,575
Total Facilities	479,363	479,363	548,662
Public Relations			
Contractual	92,434	92,434	58,201
Supplies and Equipment			
Postage	8,226	8,226	9,569
Promotional	42,198	42,198	19,263
Total Public Relations	142,858	142,858	87,033
Total Expenditures	4,903,090	4,903,090	4,870,127

VERNON HILLS PARK DISTRICT, ILLINOIS

Lakeview Fitness - Special Revenue Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended May 31, 2025

	Budget		Actual
	Original	Final	
Parks and Recreation			
Fitness			
Salaries and Wages			
Maintenance Workers	\$ 298,637	298,637	300,434
Personal Trainers	20,960	20,960	33,081
Fitness Instructors	105,016	105,016	102,289
Employee Benefits			
Other	500	500	358
Services			
Contractual	116,911	116,911	120,852
Professional Services	—	—	7,550
Special Events	3,300	3,300	1,391
Utilities	134,320	134,320	134,885
Supplies and Equipment			
Office Supplies	2,500	2,500	2,069
Office Equipment	2,000	2,000	1,336
Other Supplies/Equipment	54,014	54,014	57,953
Fitness Equipment	6,549	6,549	6,514
Building Supplies	1,110	1,110	1,930
Custodial Supplies	42,000	42,000	33,077
Repairs and Maintenance			
Equipment	17,325	17,325	20,100
Buildings and Grounds Improvement	7,500	7,500	81,706
Total Fitness	812,642	812,642	905,525
Childcare			
Salaries and Wages			
Supervision	118,760	118,760	116,438
Childcare Teachers	625,891	625,891	586,451
Services			
Contractual	2,350	2,350	2,138
Supplies and Equipment			
Field Trips	1,100	1,100	1,745
Childcare Supplies	11,410	11,410	9,124
Equipment	5,755	5,755	5,532
Lunch Supplies	36,210	36,210	36,271
Food Supplies	17,700	17,700	17,368
Total Childcare	819,176	819,176	775,067

VERNON HILLS PARK DISTRICT, ILLINOIS**Lakeview Fitness - Special Revenue Fund****Schedule of Expenditures - Budget and Actual - Continued****For the Fiscal Year Ended May 31, 2025**

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Aquatics			
Salaries and Wages			
Swim Instructors	\$ 59,937	59,937	56,071
Lifeguards	4,410	4,410	3,957
Services			
Contractual	31,048	31,048	27,058
Lifeguard Training	500	500	833
Swim Meet Expenditures	20,409	20,409	19,484
Supplies and Equipment			
Swim Meet Supplies	4,300	4,300	4,122
Pool Supplies	33,660	33,660	28,500
Clothing	500	500	649
Repairs and Maintenance			
Equipment	—	—	458
Buildings and Ground Improvements	15,000	15,000	12,282
Total Aquatics	169,764	169,764	153,414
Total Expenditures	1,801,582	1,801,582	1,834,006

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, 2025**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,245,590	1,245,590	1,241,970
Investment Income	1,557	1,557	4,749
Total Revenues	1,247,147	1,247,147	1,246,719
Expenditures			
Debt Service			
Principal Retirement	1,796,416	1,796,416	1,796,416
Interest and Fiscal Charges	250,470	250,470	251,894
Total Expenditures	2,046,886	2,046,886	2,048,310
Excess (Deficiency) of Revenues Over (Under) Expenditures	(799,739)	(799,739)	(801,591)
Other Financing Sources (Uses)			
Debt Issuance	1,217,854	1,217,854	1,231,580
Transfers Out	(405,777)	(405,777)	(394,490)
	812,077	812,077	837,090
Net Change in Fund Balance	12,338	12,338	35,499
Fund Balance - Beginning			161,619
Fund Balance - Ending			197,118

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, 2025**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 1,076,000	1,076,000	1,105,159
Investment Income	54,160	54,160	171,125
Miscellaneous			
Impact Fees	105,000	105,000	47,534
Miscellaneous	400,000	400,000	446,871
Total Revenues	1,635,160	1,635,160	1,770,689
Expenditures			
Capital Outlay	3,588,945	3,588,945	3,903,258
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,953,785)	(1,953,785)	(2,132,569)
Other Financing Sources			
Transfers In	752,383	752,383	1,241,096
Transfers Out	—	—	(140,769)
	752,383	752,383	1,100,327
Net Change in Fund Balance	(1,201,402)	(1,201,402)	(1,032,242)
Fund Balance - Beginning			3,311,117
Fund Balance - Ending			2,278,875

VERNON HILLS PARK DISTRICT, ILLINOIS**Turtle Creek Waterpark - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended May 31, 2025**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Aquatic Center Fees	\$ 319,305	319,305	355,605
Rental Income	17,125	17,125	7,621
Concessions	2,500	2,500	2,335
Miscellaneous	—	—	1,903
Total Revenues	338,930	338,930	367,464
Expenditures			
Parks and Recreation			
Aquatic Center	469,340	469,340	518,123
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130,410)	(130,410)	(150,659)
Other Financing Sources			
Transfers In	28,000	28,000	20,444
Change in Net Position	(102,410)	(102,410)	(130,215)
Fund Balance - Beginning			(713,510)
Net Position - Ending			(843,725)

VERNON HILLS PARK DISTRICT, ILLINOIS**Turtle Creek Waterpark - Special Revenue Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended May 31, 2025**

	Budget		Actual
	Original	Final	
Parks and Recreation			
Aquatic Center			
Salaries and Wages			
Customer Service	\$ 53,573	53,573	63,081
Lifeguards	215,117	215,117	230,009
Supervision	10,083	10,083	19,801
Contractual Services	19,077	19,077	31,049
Utilities	82,000	82,000	81,212
Supplies and Equipment			
Pool Supplies	11,880	11,880	11,980
Pool Chemicals	53,150	53,150	52,604
Repairs and Maintenance			
Equipment	17,860	17,860	9,220
Building and Grounds Improvements	6,600	6,600	19,104
Miscellaneous	—	—	63
Total Expenditures	469,340	469,340	518,123

SUPPLEMENTAL SCHEDULES

VERNON HILLS PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

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

May 31, 2025

Date of Issue	June 9, 2016
Date of Maturity	December 15, 2032
Authorized Issue	\$6,000,000
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
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	78,150	713,150
2031	645,000	59,100	704,100
2032	650,000	39,750	689,750
2033	675,000	20,250	695,250
	<u>4,925,000</u>	<u>686,854</u>	<u>5,611,854</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

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

May 31, 2025

Date of Issue	April 6, 2023
Date of Maturity	December 15, 2042
Authorized Issue	\$5,115,000
Interest Date	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
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
	<u>5,115,000</u>	<u>2,829,800</u>	<u>7,944,800</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Park Bonds of 2024

May 31, 2025

Date of Issue	November 21, 2024
Date of Maturity	December 1, 2025
Authorized Issue	\$1,231,580
Interest Rate	3.58%
Interest Date	December 1
Principal Maturity Date	December 1
Payable to	Time Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2026	\$ 1,231,580	43,601	1,275,181

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, 2025 (Unaudited)

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
May 31, 2025 (Unaudited)

	2016	2017	2018
Governmental Activities			
Net Investment in Capital Assets	\$ 21,807,207	22,503,763	23,818,815
Restricted	383,970	356,095	408,730
Unrestricted (Deficit)	1,014,821	882,308	1,208,381
Total Governmental Activities Net Position	23,205,998	23,742,166	25,435,926
Business-Type Activities			
Net Investment in Capital Assets	—	—	—
Unrestricted (Deficit)	—	—	—
Total Business-Type Activities Net Position	—	—	—
Primary Government			
Net Investment in Capital Assets	21,807,207	22,503,763	23,818,815
Restricted	383,970	356,095	408,730
Unrestricted (Deficit)	1,014,821	882,308	1,208,381
Total Primary Government Net Position	23,205,998	23,742,166	25,435,926

Data Source: Audited Financial Statements

*Accrual Basis of Accounting

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

2019**	2020	2021	2022	2023	2024	2025
24,235,627	36,583,247	41,240,643	41,593,076	46,412,835	44,698,365	44,624,400
387,678	256,250	262,083	255,799	220,203	37,995	12,835
(484,683)	716,267	719,136	2,601,182	(241,747)	2,045,443	3,324,533
24,138,622	37,555,764	42,221,862	44,450,057	46,391,291	46,781,803	47,961,768
1,779,285	—	—	—	—	—	—
(499,249)	—	—	—	—	—	—
1,280,036	—	—	—	—	—	—
26,014,912	36,583,247	41,240,643	41,593,076	46,412,835	44,698,365	44,624,400
387,678	256,250	262,083	255,799	220,203	37,995	12,835
(983,932)	716,267	719,136	2,601,182	(241,747)	2,045,443	3,324,533
25,418,658	37,555,764	42,221,862	44,450,057	46,391,291	46,781,803	47,961,768

VERNON HILLS PARK DISTRICT, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* May 31, 2025 (Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities										
General Government	\$ —	—	—	2,348,818	1,332,130	1,337,752	1,066,203	1,923,468	1,370,313	2,021,750
Recreation	9,631,699	9,644,569	9,847,642	8,252,731	8,647,873	7,020,835	8,464,841	8,702,585	9,571,183	9,877,717
Interest and Fiscal Charges	91,546	258,625	257,924	264,494	254,213	229,678	213,010	360,505	415,030	441,207
Total Governmental Activities Expenses	9,723,245	9,903,194	10,105,566	10,866,043	10,234,216	8,588,265	9,744,054	10,986,558	11,356,526	12,340,674
Business-Type Activities	—	—	—	—	—	—	—	—	—	—
Total Primary Government Expenses	9,723,245	9,903,194	10,105,566	10,866,043	10,234,216	8,588,265	9,744,054	10,986,558	11,356,526	12,340,674
Program Revenues										
Governmental Activities										
Charges for Services	4,958,474	4,880,872	4,864,241	4,680,777	3,729,192	1,814,272	3,314,896	4,476,104	4,981,944	5,044,540
Operating Grants and Contributions	1,973,528	507,162	1,131,353	473,605	—	383,228	64,641	—	—	—
Capital Grants and Contributions	—	—	—	—	12,651,410	5,161,470	425,975	2,526,038	126,885	1,105,159
Total Governmental Activities Program Revenues	6,932,002	5,388,034	5,995,594	5,154,382	16,380,602	7,358,970	3,805,512	7,002,142	5,108,829	6,149,699
Business-Type Activities										
Kindergarten Building	—	—	—	536,128	—	—	—	—	—	—
Total Primary Government Program Revenues	6,932,002	5,388,034	5,995,594	5,690,510	16,380,602	7,358,970	3,805,512	7,002,142	5,108,829	6,149,699

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense) Revenue										
Governmental Activities	\$ (2,791,243)	(4,515,160)	(4,109,972)	(5,711,661)	6,146,386	(1,229,295)	(5,938,542)	(3,984,416)	(6,247,697)	(6,190,975)
Business-Type Activities	—	—	—	536,128	—	—	—	—	—	—
Total Primary Government Net Revenue (Expense)	(2,791,243)	(4,515,160)	(4,109,972)	(5,175,533)	6,146,386	(1,229,295)	(5,938,542)	(3,984,416)	(6,247,697)	(6,190,975)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	4,691,273	4,923,723	4,836,267	4,985,302	5,045,637	5,408,419	5,504,678	5,627,276	6,014,121	6,361,464
Intergovernmental	23,173	25,741	27,511	23,301	25,505	32,352	71,298	79,705	52,500	34,812
Investment Income	21,430	25,468	51,990	104,351	83,708	58,060	9,358	(33,930)	409,890	373,013
Miscellaneous	65,904	66,396	887,964	49,170	466,563	396,562	2,581,403	252,599	161,698	601,651
Transfers	—	—	—	—	1,280,036	—	—	—	—	—
Total Governmental Activities	4,801,780	5,041,328	5,803,732	5,162,124	6,901,449	5,895,393	8,166,737	5,925,650	6,638,209	7,370,940
Business-Type Activities										
Transfers	—	—	—	—	(1,280,036)	—	—	—	—	—
Total Primary Government	4,801,780	5,041,328	5,803,732	5,162,124	5,621,413	5,895,393	8,166,737	5,925,650	6,638,209	7,370,940
Changes in Net Position										
Governmental Activities	2,010,537	526,168	1,693,760	(549,537)	13,047,835	4,666,098	2,228,195	1,941,234	390,512	1,179,965
Business-Type Activities	—	—	—	536,128	(1,280,036)	—	—	—	—	—
Total Primary Government Change in Net Position	2,010,537	526,168	1,693,760	(13,409)	11,767,799	4,666,098	2,228,195	1,941,234	390,512	1,179,965

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, 2025 (Unaudited)**

	2016	2017	2018
General Fund			
Nonspendable	\$ 3,345	8,984	3,534
Unassigned	1,064,219	924,990	1,129,073
Total General Fund	1,067,564	933,974	1,132,607
All Other Governmental Funds			
Nonspendable	—	—	6,061
Restricted	383,973	356,095	408,730
Committed	1,779,946	1,971,169	2,245,656
Assigned	657,474	748,671	1,433,858
Unassigned	(560,417)	(633,621)	(838,531)
Total All Other Governmental Funds	2,260,976	2,442,314	3,255,774
Total Governmental Funds	3,328,540	3,376,288	4,388,381

Data Source: Audited Financial Statements

*Modified Accrual Basis of Accounting

2019	2020	2021	2022	2023	2024	2025
2,470	1,042	3,406	3,949	—	585,983	1,076,339
758,570	1,038,805	1,293,004	1,358,325	1,456,572	910,672	(252,131)
761,040	1,039,847	1,296,410	1,362,274	1,456,572	1,496,655	824,208
8,714	—	—	—	—	695	—
387,678	365,121	360,510	344,915	220,203	199,614	209,953
—	—	—	—	—	—	—
3,784,749	3,254,780	3,169,848	4,475,898	7,397,692	5,807,475	5,093,055
(1,153,053)	(1,555,523)	(1,795,231)	(1,889,682)	(1,704,289)	(1,536,188)	(1,457,156)
3,028,088	2,064,378	1,735,127	2,931,131	5,913,606	4,471,596	3,845,852
3,789,128	3,104,225	3,031,537	4,293,405	7,370,178	5,968,251	4,670,060

VERNON HILLS PARK DISTRICT, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years* May 31, 2025 (Unaudited)

	2016	2017	2018
Revenues			
Taxes	\$ 4,691,273	4,923,723	4,836,267
Intergovernmental	1,635,914	341,294	891,562
Charges for Services	4,807,978	4,880,872	4,864,241
Investment Income	21,430	35,468	51,990
Miscellaneous	577,187	258,005	1,148,315
Total Revenues	11,733,782	10,439,362	11,792,375
Expenditures			
General Government	2,014,117	1,923,598	2,170,447
Parks and Recreation	6,026,506	6,213,961	6,441,636
Capital Outlay	3,598,768	7,764,738	1,489,144
Debt Service			
Principal Retirement	1,524,166	1,422,880	1,439,810
Interest and Fiscal Charges	95,007	182,455	258,450
Total Expenditures	13,258,564	17,507,632	11,799,487
Excess of Revenues Over (Under) Expenditures	(1,524,782)	(7,068,270)	(7,112)
Other Financing Sources (Uses)			
Debt Issuance	904,528	7,004,810	1,019,205
Premium on Bonds	—	111,208	—
Transfers In	488,000	708,880	332,000
Transfers Out	(488,000)	(708,880)	(332,000)
	904,528	7,116,018	1,019,205
Net Change in Fund Balances	(620,254)	47,748	1,012,093
Debt Service as a Percentage of Noncapital Expenditures	14.81%	14.57%	14.39%

Data Source: Audited Financial Statements

*Modified Accrual Basis of Accounting

2019	2020	2021	2022	2023	2024	2025
5,008,603	5,071,142	5,408,419	5,504,678	5,627,276	6,014,121	6,361,464
135,396	12,705,913	5,577,050	561,914	2,605,743	179,385	1,139,971
4,680,777	3,729,192	1,814,272	3,314,896	4,476,104	4,981,944	5,044,540
104,351	83,708	58,060	9,358	(33,930)	409,890	373,013
387,379	412,060	396,562	2,581,403	252,599	161,698	601,651
10,316,506	22,002,015	13,254,363	11,972,249	12,927,792	11,747,038	13,520,639
775,194	981,873	898,561	980,146	928,719	1,127,633	1,163,712
7,875,430	7,288,804	5,678,187	7,183,953	7,323,644	8,102,051	8,751,005
1,572,066	13,189,849	5,987,100	1,773,844	5,829,186	3,002,057	3,903,258
1,464,205	1,570,416	1,608,421	1,656,321	1,697,186	1,727,961	1,796,416
270,730	271,369	247,072	229,272	321,214	371,648	436,019
11,957,625	23,302,311	14,419,341	11,823,536	16,099,949	14,331,350	16,050,410
(1,641,119)	(1,300,296)	(1,164,978)	148,713	(3,172,157)	(2,584,312)	(2,529,771)
1,031,385	1,059,390	1,092,290	1,113,155	6,248,930	1,182,385	1,231,580
—	—	—	—	—	—	—
873,595	392,208	500,000	475,855	906,159	718,580	1,402,309
(873,595)	(891,457)	(500,000)	(475,855)	(906,159)	(718,580)	(1,402,309)
1,031,385	560,141	1,092,290	1,113,155	6,248,930	1,182,385	1,231,580
(609,734)	(740,155)	(72,688)	1,261,868	3,076,773	(1,401,927)	(1,298,191)
15.50%	17.59%	20.94%	18.62%	19.38%	18.28%	18.70%

VERNON HILLS PARK DISTRICT, ILLINOIS**Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Tax Levy Years
May 31, 2025 (Unaudited)**

Tax Levy Year	Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Equalized Assessed Value as a Percentage of Actual Value
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	0.4458	3,803,242,542	33.33%
2022	1,308,843,533	0.4596	3,926,530,599	33.33%
2023	1,380,216,695	0.4633	4,140,650,085	33.33%
2024	1,473,462,860	0.4504	4,420,388,580	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, 2025 (Unaudited)

Taxing Body/Tax Levy Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2025
Direct Rates										
Corporate	0.2029	0.1930	0.1918	0.1891	0.1825	0.1832	0.1795	0.1704	0.1695	0.1667
Recreation	0.1205	0.1141	0.1112	0.1145	0.1134	0.1251	0.1372	0.1586	0.1636	0.1563
Special Recreation	0.0400	0.0235	0.0259	0.0204	0.0400	0.0379	0.0400	0.0400	0.0400	0.0400
Bonds and Interest	0.0944	0.0888	0.0874	0.0870	0.0843	0.0875	0.0891	0.0906	0.0902	0.0874
Total District Rates	0.4578	0.4194	0.4163	0.4110	0.4202	0.4337	0.4458	0.4596	0.4633	0.4504
Overlapping Governments										
Lake County	0.6630	0.6320	0.6220	0.6120	0.5968	0.5980	0.5977	0.5887	0.5863	0.5512
Village of Mundelein	1.5710	1.5630	1.5590	1.4194	1.4425	1.4605	1.4700	1.4721	1.4716	1.3909
Lake County Forest Preserve District	0.2080	0.1930	0.1870	0.1820	0.1798	0.1818	0.1789	0.1732	0.1680	0.6572
Libertyville Township	0.1310	0.1240	0.1220	0.1220	0.1227	0.1266	0.0670	0.0681	0.0687	0.0595
Vernon Township	0.0644	0.0611	0.0564	N/A	0.0564	N/A	0.0951	0.0960	0.1313	0.1265
Central Lake County JAWA	0.0540	0.0460	0.0410	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Countryside Fire Protection District	0.5990	0.5670	0.5620	0.5640	0.5595	0.5961	0.6101	0.6301	0.6064	0.5825
Lincolnshire-Riverwoods Fire Protection District	0.7480	0.7470	0.7470	0.7511	0.7467	N/A	0.8179	0.8533	0.8675	0.8464
Cook County Memorial Library District	0.3040	0.2890	0.2840	0.2840	0.2834	0.2857	0.2914	0.2880	0.2859	0.2755
Vernon Area Library District	0.3080	0.2930	0.2910	0.2939	0.2909	0.4337	0.3123	0.3199	0.3207	0.3115
School District No. 73	4.0330	3.8710	3.8250	3.8470	3.7402	3.3814	3.9162	4.0174	3.9762	3.8161
School District No. 76	4.8710	4.6800	4.5670	4.5799	4.5670	4.5969	4.6222	4.7373	4.7118	4.4780
School District No. 96	3.8700	3.6900	3.6550	3.7166	3.6955	3.9360	4.0316	4.1388	4.0916	N/A
School District No. 103	3.0240	2.8770	2.8700	2.8884	0.3848	3.0800	3.1800	3.2980	3.3886	3.2720
High School District No. 120	2.7710	2.6200	2.5520	2.5431	2.5524	2.5115	2.4829	2.5189	2.4860	2.3364
High School District No. 125	3.0040	2.8580	2.8620	2.5021	2.8618	2.9831	3.0923	3.1922	3.2027	3.1170
High School District No. 128	2.7320	2.5320	2.4940	2.5020	2.5125	2.6034	2.6737	2.7500	2.7819	2.6850
Community College District No. 532	0.2990	0.2850	0.2810	0.2820	0.2815	0.2897	0.2935	0.2958	0.2942	0.2802
Total Overlapping Rates	29.2544	27.9281	27.5774	27.0895	24.8744	27.0644	28.7328	29.4378	29.4394	24.7859
Total Tax Rates	29.7122	28.3475	27.9937	27.5005	25.2946	27.4981	29.1786	29.8974	29.9027	25.2363

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, 2025 (Unaudited)

Taxpayer	Rank	2025		Rank	2016	
		Taxable Assessed Value	Taxable Assessed Valuation		Taxable Assessed Value	Taxable Assessed Valuation
Hawthorn LP	1	\$ 27,685,069	2.00%	1	\$ 20,234,248	1.96%
Passco Melody Farm DST Trust	2	27,663,900	1.99%			
Mesirow Financial Revf LLL Reit LLC	3	26,497,350	1.91%			
Melody Farm LLC	4	19,893,071	1.43%			
USEF Oak at Vernon Hills LLC	5	17,794,768	1.28%			
USEF Centennial FA Hawthorn Owner	6	15,865,408	1.14%			
Van Vissingen & Co.	7	10,548,641	0.76%	2	13,667,190	1.32%
Inland Rivertree Court, LLC	8	8,456,981	0.61%	3	12,278,632	1.19%
CDW Computer Centers, Inc.	9	8,356,838	0.60%	6	7,876,323	0.76%
Hawthorn Hills Square, LLC	10	8,236,096	0.59%	8	6,778,298	0.66%
Leahy Vernon Hills Development				4	11,865,730	0.86%
PWA Continental Executive Park, LP				5	8,911,611	0.69%
Museum Gardens II LLC				7	7,104,130	1.15%
Walmart Stores, Inc.				9	5,217,223	0.50%
Corporate Woods Associates, LLC				10	5,197,623	0.50%
Totals		170,998,122	12.31%		99,131,008	9.59%

Data Source: Office of the County Clerk

VERNON HILLS PARK DISTRICT, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
May 31, 2025 (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
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	6,016,989	215,656	3.58%	5,798,959	6,014,615	99.96%
2023	6,396,173	378,241	5.91%	5,999,343	6,377,584	99.71%
2024	6,611,619	569,756	8.62%	—	569,756	8.62%

Data Source: Office of the County Clerk

VERNON HILLS PARK DISTRICT, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
May 31, 2025 (Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Intergovernmental Loan			
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
2024	11,814,939	420,151	12,235,090	0.78%	457.4
2025	11,327,183	336,120	11,663,303	0.70%	431.9

Source: Audited Financial Statements

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

VERNON HILLS PARK DISTRICT, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
May 31, 2025 (Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available For Debt Service	Totals	Estimated Actual Taxable Value of Property (1)	Per Capita (2)
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
2024	11,814,939	—	11,814,939	0.86%	441.7
2025	11,327,183	—	11,327,183	0.77%	419.5

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, 2025 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to District (2) (3)	District's Share of Debt
Direct			
Vernon Hills Park District	\$ 11,663,303	100.00%	\$ 11,663,303
Overlapping Debt (1)			
Lake County	150,355,876	4.55%	6,841,192
Lake County Forest Preserve	180,649,707	4.55%	8,219,562
Community College District #532	80,061,194	4.77%	3,818,919
Unit School District #73	81,260,362	66.88%	54,346,930
Unit School District #76	12,586,995	24.69%	3,107,729
Unit School District #103	12,485,708	21.78%	2,719,387
High School District #120	63,166,118	0.91%	574,812
High School District #125	46,156,885	9.47%	4,371,057
Countryside Fire Protection District	1,460,100	62.24%	908,766
Village of Vernon Hills	24,624,486	100.00%	24,624,486
Total Overlapping Bonded Debt	652,807,431		109,532,840
Total Direct and Overlapping Debt	664,470,734		121,196,143

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, 2025 (Unaudited)

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS**Legal Debt Margin Information - Last Ten Fiscal Years
May 31, 2025 (Unaudited)**

	2016	2017	2018	2019
Equalized Assessed Valuation	\$ 1,079,105,866	1,154,068,636	1,198,394,088	1,227,876,585
Bonded Debt Limit - 8.625% of Assessed Value	29,835,042	29,733,511	31,024,294	33,179,473
Total Net Debt Applicable to Limit	997,880	1,004,810	1,019,205	1,031,385
Legal Debt Margin	28,837,162	28,728,701	30,005,089	32,148,088
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.39%	3.45%	3.32%	3.12%
Non-Referendum Legal Debt Limit .575% of Assessed Value	5,967,008	5,946,702	6,204,859	6,635,895
Amount of Debt Applicable to Limit	977,285	990,660	997,880	1,004,810
Legal Debt Margin	4,989,723	4,956,042	5,206,979	5,631,085
Percentage of Legal Debt Margin to Bonded Debt Limit	16.38%	16.66%	16.08%	15.14%

Data Source: District Records

2020	2021	2022	2023	2024	2025
1,292,111,520	1,272,987,913	1,267,747,514	1,308,843,533	1,380,216,695	1,473,462,860
34,453,830	35,301,452	37,148,206	37,629,252	39,681,230	42,362,057
1,059,390	1,092,290	1,113,155	1,133,930	1,182,385	1,231,580
33,394,440	34,209,162	36,035,051	36,495,322	38,498,845	41,130,477
3.05%	3.01%	2.94%	3.11%	3.07%	2.99%
6,890,766	7,060,290	7,429,641	7,525,850	7,936,246	8,472,411
1,019,205	1,031,385	1,059,390	1,133,930	1,182,385	1,231,580
5,871,561	6,028,905	6,370,251	6,391,920	6,753,861	7,240,831
14.79%	14.61%	14.26%	15.07%	14.90%	14.54%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value - 2024	<u>\$ 1,473,462,860</u>
Bonded Debt Limit - 2.875% of Assessed Value	42,362,057
Amount of Debt Applicable to Limit	<u>1,231,580</u>
Legal Debt Margin	<u>41,130,477</u>

VERNON HILLS PARK DISTRICT, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years May 31, 2025 (Unaudited)

Fiscal Year	Population	Personal Income (In Thousands of Dollars)	Per Capita Personal Income	Unemployment Rate
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%
2024	26,750	1,574,906	58,875	4.30%
2025	27,002	1,673,360	61,972	3.70%

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, 2025 (Unaudited)

Employer	Rank	2024	Rank	2015
		% of Total District Population		% of Total District Population
CDW, LLC	1	6.73%	4	1.35%
Hawthorn School District 73	2	2.24%		
Mitsubishi Electric Automation, Inc.	3	1.59%	3	1.54%
Walmart, Inc.	4	1.49%		
Rust-Oleum Corp.	5	1.31%		
Antylia Scientific (FKA Cole Palmer)	6	1.12%	6	1.16%
Target	6	1.12%		
ZF Services, N.A. LLC	8	0.93%	7	1.10%
Mercer	8	0.93%	5	1.31%
Wurth Baer Supply Company	8	0.93%		
Westfield Shoppingtown Hawthorn			1	9.65%
Zebra Technologies Corp.			2	3.48%
CareFusion, Inc.			6	1.16%
American Hotel Register			3	1.54%
Richard Wolf Medical Instruments Corp.			8	0.77%
		<u>18.39%</u>		<u>23.06%</u>

Data Source: Lake County Partners and 2023 Illinois Manufacturers Directory and Illinois Services Directory

VERNON HILLS PARK DISTRICT, ILLINOIS

Full-Time Equivalent District Employees by Function - Last Ten Fiscal Years

May 31, 2025 (Unaudited)

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government/Parks and Recreation										
Full-Time Employees	50	50	50	50	46	45	47	47	49	48

Data Source: District Records

VERNON HILLS PARK DISTRICT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
May 31, 2025 (Unaudited)**

See Following Page

VERNON HILLS PARK DISTRICT, ILLINOIS**Operating Indicators by Function/Program - Last Ten Fiscal Years
May 31, 2025 (Unaudited)**

Function/Program	2016	2017	2018
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	4	4	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

2019	2020	2021	2022	2023	2024	2025
23	23	23	24	24	24	24
453	453	453	435	435	435	435
19	23	23	23	23	23	23
7	6	6	6	6	6	7
12	10	10	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	9	9	9	9	9	9
1	1	1	1	1	1	1
4	4	2	1	1	1	1
32	33	33	33	33	33	33
24	24	24	25	25	25	25
1	1	1	2	2	2	1
1	1	1	1	1	1	1
5	9	9	9	9	9	9
2	2	2	2	2	2	2
12	10	12	12	12	12	12
6	6	6	6	6	6	6
6	6	8	8	8	8	8

VERNON HILLS PARK DISTRICT, ILLINOIS

Capital Asset Statistics by Function - Last Ten Fiscal Years
May 31, 2025 (Unaudited)

Function	2016	2017	2018
Parks and Recreation			
Carrying Amount of Capital Assets	\$ 26,157,919	32,456,415	32,658,725

Source: District Records

2019	2020	2021	2022	2023	2024	2025
33,229,379	45,142,992	49,361,338	49,247,685	53,088,318	54,013,444	56,145,279

**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***



**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 9, 2025

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, each major fund, and the aggregate remaining fund information of the Vernon Hills Park District, Illinois, as of and for the year ended May 31, 2025, 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 9, 2025.

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. Accordingly, 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*.

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