



Palatine
Park
District

Palatine Park District

Cook County, Illinois

Comprehensive Annual Financial Report

For the fiscal year ending
December 31, 2018



**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2018

Prepared by:

Michael G. Clark
Executive Director

Tina Becke
Assistant Superintendent of Finance

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS
TABLE OF CONTENTS**

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials	i
Organizational Structure	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Transmittal Letter.....	iv-vii
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-10
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4
Statement of Activities	5
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	6-7
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	8
Statement of Revenues, Expenditures and Changes in Fund Balances	9-10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	11
Notes to Financial Statements	12-39

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	40
Recreation Fund.....	41
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions	42
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	43
Other Postemployment Benefit Plan	
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	44
Notes to Required Supplementary Information	45

INDIVIDUAL FUND

FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

General Fund	
Schedule of Revenues	46
Schedule of Expenditures	47
Recreation Fund	
Schedule of Revenues.....	48
Schedule of Expenditures	49
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Acquisition and Improvement Fund.....	50
Bond and Interest Fund	51

NONMAJOR GOVERNMENTAL FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Special Recreation Fund.....	52

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION	
Financial Trends	
Net Position by Component	53-54
Change in Net Position	55-58
Fund Balances of Governmental Funds	59-60
Changes in Fund Balances of Governmental Funds	61-62
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property.....	63
Property Tax Assessed Valuations, Rates and Extensions	64
Property Tax Rates - Direct and Overlapping Governments	65
Principal Property Taxpayers	66
Property Tax Levies and Collections	67
Debt Capacity	
Ratios of Outstanding Debt by Type.....	68
Ratios of Net General Bonded Debt Outstanding	69
Direct and Overlapping Governmental Activities Debt.....	70
Legal Debt Margin Information	71
Demographic and Economic Information	
Demographic and Economic Information	72
Principal Employers	73
Operating Information	
Full-Time Equivalent Employees	74
Operating Indicators.....	75
Capital Asset Statistics.....	76

INTRODUCTORY SECTION

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

PRINCIPAL OFFICIALS

December 31, 2018

LEGISLATIVE

BOARD OF PARK COMMISSIONERS

Susan Gould, President

Jay Cozza, Vice President

Terry Ruff, Treasurer

Jennifer Rogers

Nicholas Sawyer

ADMINISTRATIVE

Michael G. Clark, Executive Director

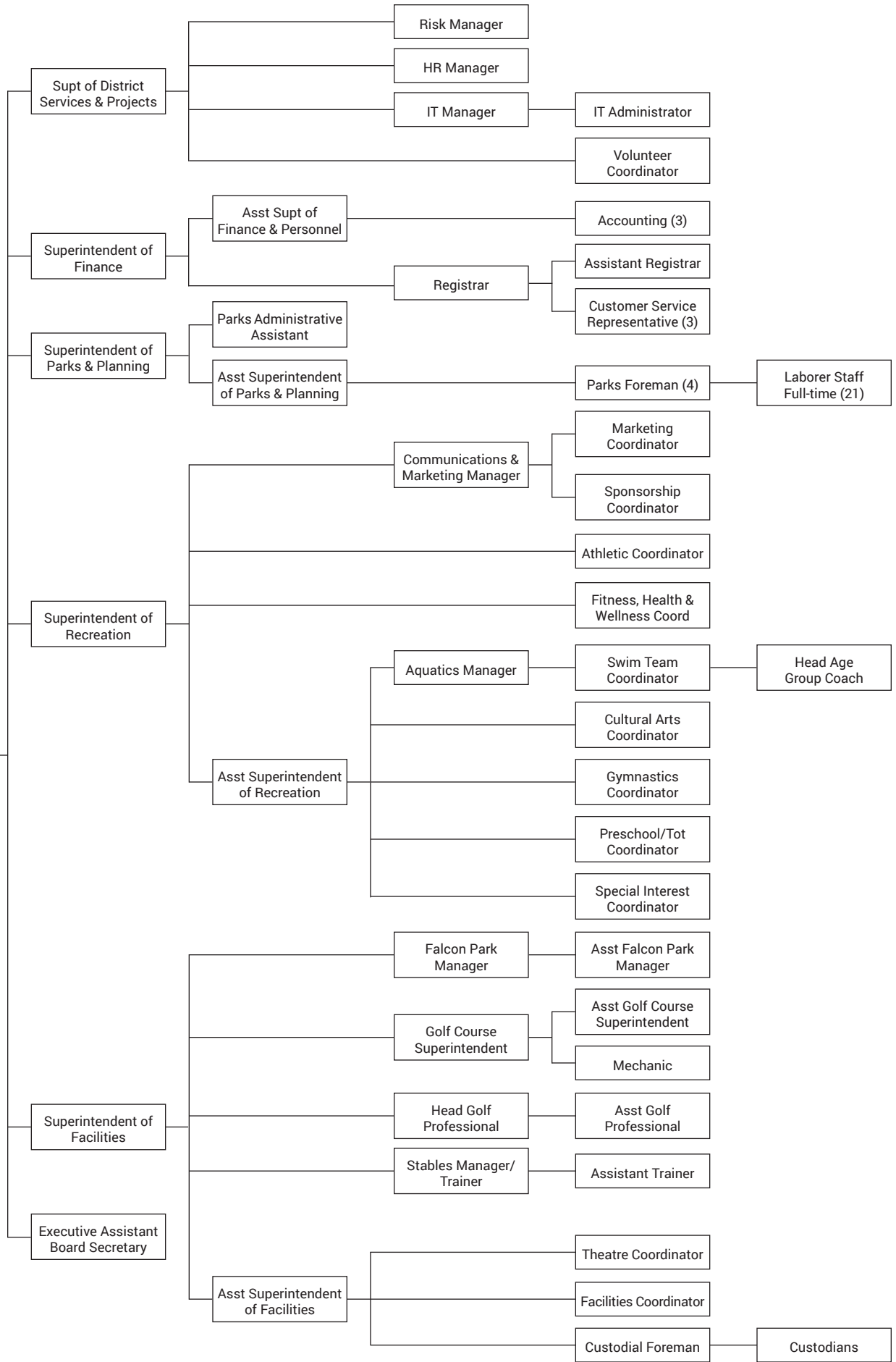
FINANCE DIVISION

Tina Becke
Assistant Superintendent of Finance

Palatine Park District Organizational Chart



Palatine Park District Residents
 Park Board of Commissioners (5)
 Executive Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Palatine Park District
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO



July 1, 2019

Board of Commissioners
Palatine Park District
Cook County, Illinois

Honorable Commissioners:

The Comprehensive Annual Financial Report of the Palatine Park District for the fiscal year ended December 31, 2018 is hereby respectfully and formally submitted. Chapter 70, Section 1205, of the Illinois Compiled Statutes requires that park districts secure a licensed public accountant to perform an annual audit of the financial statements. The firm of Sikich, LLP, performed this audit for the fiscal year ended December 31, 2018. Their unmodified opinion on the basic financial statements is presented for this report. The Comprehensive Annual Financial Report (CAFR) is filed with the State Comptroller within six months after the close of the fiscal year. This report was prepared by the Park District's Finance Department who is responsible for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures. We believe the information, as presented, is accurate in all material aspects; it is presented in a manner designated to fairly set forth the financial position and results of Park District operations as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the Park District's financial affairs.

Management's representations in the financial statements are only as reliable as the underlying information on which they are based. In developing and evaluating the accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, reliable financial records for preparing financial statements and maintainable accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. Accounting control is provided to adequately safeguard assets and provide reasonable assurance of proper recording of transactions.

The role of the independent audit, as required by the Illinois Compiled Statutes, is to provide an opinion on the fairness of management's representation in the financial statements. The independent audit firm of Sikich, LLP, Certified Public Accountants provides an objective review of the Park District's financial statements. Their performance of tests and discussion with management provides users of these financial statements reasonable basis for reliance on the enclosed reports. Their audit standards require a review that will obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement and that the District's presentation is consistent with Generally Accepted Accounting Principles and other Governmental Accounting Standards. The audit includes examining, on a test basis, evidence supporting the amounts, accounting principles used, and significant estimates made by management.

Management's discussion and analysis (MD&A), immediately following the independent auditor's report, provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter transmittal and should be read in conjunction for greater understanding of the Park District's finances.

The Reporting Entity and its Services

The Park District provides recreational services and opportunities primarily to the residents of Palatine, Illinois. These services include recreational programs, parks management, recreation facility management, capital improvement development and general administration. The Park District maintains over 425 acres (and leases nearly 300 more) of property for the resident's enjoyment.

Located approximately 30 miles northwest of Chicago, the Park District was established as a separate municipal body by the citizens of Palatine in 1945. The District operates under a board-director form of government. The Board consists of five individuals who are elected from the District at large to serve six-year staggered terms. In over seventy years of service, it has grown in programs, facilities and recreation importance in the lives of District residents. The current population served is just over 83,000 and serves residents in multiple communities within its borders.

The accompanying financial statements include only those funds of the Park District, as there are no other organizations for which it has financial accountability. The Park District participates in the Illinois Municipal Retirement Fund (IMRF), the Northwest Suburban Special Recreation Association (NWSRA), and the Metro Risk Management Agency (MRMA). Since these organizations are separate government organizations, and the Park District does not exercise financial accountability over these agencies, their financial statements are not included in this report. Audited financial statements for these organizations are available upon request from their business offices.

The Board of Commissioners has the authority, after the first six months of the fiscal year and with a two-thirds approval vote, to make transfers between the various items in any fund in the appropriation ordinance. Transfers cannot exceed 10%, in the aggregate, of the total amount appropriated for the fund or item that is having funds reallocated. The Board of Commissioners may amend the Budget and Appropriation Ordinance, but this must be done in accordance with the same procedure followed in the originally adopted ordinance. The Park District issued a Supplemental Budget and Appropriations ordinance in the 4th quarter of 2018.

Open Public Meetings for budget authorization are held at 7:00 p.m., posted and published up to six weeks in advance.

Date	Meeting	Discussion
January 23, 2018	Special Board Meeting	2018 Proposed Budget
February 27, 2018	Public Hearing	Public Comments on the Annual Budget
February 27, 2018	Regular Board Meeting	Board discusses, considers, and approves the 2018 Budget and Appropriation Ordinance
October 23, 2018	Regular Board Meeting	Supplemental B & O Ordinance draft presented to Board.
November 27, 2018	Public Hearing	Public Comments on the Amendments 2018 Annual Budget
November 27, 2018	Regular Board Meeting	Board discusses, considers, and approves the 2018 Supplemental
		Amendment Budget and Appropriation Ordinance
July 23, 2019	Regular Board Meeting	Commissioners accept 2018 CAFR

Economic Condition and Outlook

In addition to being one of the larger suburbs north of Chicago, it is also one of the more financially stable. The District's local economic base is diverse. It combines corporate offices and commercial developments with a solid middle class residential base. Palatine's unemployment rate at the end of 2018 is less than the statewide rate.

EAV for the District's property tax base increased as home values continued to increase. The EAV decreased by .06% year over year realizing a decrease of \$1,300,817. However, the State of Illinois continues to have financial challenges and as a result, the Park District leadership continues to act cautiously as it fears a potential property tax freeze.

Long-Term Planning

2018 represented the third year for the District's Comprehensive Master Plan which was approved in the fall of 2015. As a result, the Park District has become far more strategically focused. Staff continues to review and assess the goals and objectives at the individual, department, and agency levels, to assure that the path to meeting the ten-year plan is maintained. One of the largest of the long-term efforts was the completion of the Harper Health and Recreation Center. This project was completed fall of 2018. Additionally, the District diligently monitors their 10-year Capital Repair and Replacement plan to help it manage resources. Staff continues to review and adjust the Capital Repair and Replacement Plan as well as the Comprehensive Plan as part of the annual budget preparation process. This allows for the assessment of the timeline and the availability of funds for the projects listed in both plans.

District board and staffs' primary focus is to operate efficiently and effectively, while providing the greatest value for its residents. For this reason, staff is constantly evaluating its program offerings while senior leadership, in cooperation with the Board, carefully discusses any large capital undertaking. The District also continues to be conservative allowing for large fund balances to be created.

Ongoing initiatives were developed which, along with the short-term initiatives, formed the basis for the 2018 annual budget. Mid and long-term goals will continue to be integrated into future budgets. To fund future activities and capital initiatives, the Park District has accumulated healthy reserves and all indications are that reserves will continue to grow in the near future. In addition to the use of unrestricted reserves, each year the District has access to unreserved debt capacity of approximately \$2 million. The Park District may issue new debt as needed to fund its multi-year capital improvement plan.

Risk Management

The Park District is a member of the Metro Risk Management Agency (MRMA), which operates a comprehensive risk management program. MRMA provides loss coverage for workers' compensation and property damage claims on a partially self-funded basis. General liability, employment practices and unemployment insurance is completely self-funded. The District's environment promotes an aggressive risk management program aimed at participant, instructor, and workplace safety.

Pension Benefits

The Park District participates in the Illinois Municipal Retirement Fund (IMRF), a 414(h) plan and employees may participate in a 457 retirement plan. The IMRF plan is a two tiered defined benefit plan with the employee contributing 4.5 percent of their annual salary. Vesting for Tier 1 and Tier 2 occurs after eight and ten years respectively. The Park District is responsible for most of the pension costs and all of the disability and death benefits. The Park District's retirement plan was 88.9% funded as of 12/31/18. This is a slight increase from prior year. The District's plan fell below 10% following the economic crisis of 2008. Despite a low rate of return on its investments, the District's 5-year smoothing technique has resulted in a decrease to the District's contribution rate in 2018. Employee rates are based on actuarially calculated annual required contributions (ARC). Although the District has annually contributed 100% of the ARC, the resulting unfunded liability is currently being amortized over a rolling thirty year period. The District's employer rate in 2018 was 12.46%.

The Park District is a trustee of the 457 plan, a defined contribution plan, which is fully funded by the employees. The Park District offers no retirement health benefits.

Significant Events and Accomplishments

The Palatine Park District continues to be one of the premier park and recreation providers in Illinois. The Park District has undergone tremendous program growth and restructuring resulting in superior recreation opportunities while maintaining low tax increases and modest increases in user fee revenues.

The Park District takes an active role in the community and staff represents the District and often takes on leadership roles in, Rotary, Kiwanis, the Chamber of Commerce and other local community groups. The District took second place in the Media Relations Category. Additionally, the Park District is very proud to take honor in having met the standards and best practices set forth in the state program for the outstanding delivery of park and recreation services. The Palatine Park District is now an Illinois distinguished accredited agency. In 2018, the District received the IAPD/IPRA Joint Distinguished Park and Recreation Award. The Palatine Park District is now one of eighty accredited districts and scored 492 out of 500 possible points.

During 2018, the Park District finance department spearheaded and completed the implementation of the purchasing card program. This was possible through the participation of a consortium of up to 17 park districts. This purchasing program allows for the improvement of the District's performance by increasing purchasing oversight, reducing costs, streamlining payment processes, enhancing efficiency and receiving rebates.

The District also implemented a plan to pay off the unfunded IMRF liability at a rate of 1/7th of the balance or as the budget allows. This plan will be re-visited on an annual basis and adjusted accordingly.

The Palatine Park District continues to push forward capital projects and to stay current with maintenance and repairs. In 2018 one of the District's greatest accomplishments is the completion and opening of the Harper Health and Recreation Center. 2018 ended the year with the completion of a new playground at Dove Park and renovations at Hawthorne Park. The Community and Juniper Park were also upgraded with new ADA and landscaping improvements. Furthermore, the Park District has begun expanding the parking lot and installing a bike trail connection to Hamilton Park. In 2018, the District commenced the development of new pickle ball courts at the Hamilton Reservoir.

The Board of Commissioners remains very positive in supporting membership, continuing education and involvement within key organizations such as NRPA, IPRA, and GFOA. The leadership is active in giving back to the industry and often serve as speakers at the Leadership Academy and Professional Development School.

Certificate of Achievement


The Government Finance Officers Association of the United States and Canada (GFOA) has created a program which recognizes deserving Agencies when they prepare quality financial statements. In 2018, for the third time, the Park District received the Excellence in Financial Reporting award for its 2017 CAFR. With this year's submission, staff is confident that it will achieve this distinction again for 2018. Each year the District will make every effort to continue to achieve this lofty goal.

Acknowledgements

This financial report was compiled through the extreme efforts and diligence of the Finance staff. The Comprehensive Annual Financial Report is prepared one time during the year and would not be possible without the consistent attention to procedures and monitoring of accounts by the Park District's recreation program and administration staff. We also wish to express appreciation to the Board of Commissioners for their interest and support in planning and conducting the financial operations of the Palatine Park District in a responsible and progressive manner.

Respectfully Submitted,


Michael G. Clark
Executive Director


Zaida Torres
Superintendent of Finance

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Palatine Park District
Palatine, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Palatine Park District, Palatine, Illinois (the District), as of and for the year ended December 31, 2018, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Palatine Park District, Palatine, Illinois, as of December 31, 2018, 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.

Change in Accounting Principle

As described in Note 12, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses for OPEB liabilities; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Sikich LLP

Naperville, Illinois
July 1, 2019

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

Palatine Park District, Cook County, IL Management Discussion and Analysis

The following Management Discussion and Analysis (MD&A) outlines the financial performance and statements of the Palatine Park District for the year ended December 31, 2018. The MD&A is designed to assist the reader by focusing on significant issues; providing an overview of the Park District's financial activity; identifying material deviation from the financial plan; identifying individual fund issues or concerns; and identifying changes in the Park District's financial position and its ability to address subsequent years' challenges. Since the MD&A is designed to focus on current activities, resulting changes and current known facts, it should be read in conjunction with the brief transmittal letter along with the financial statements and accompanying notes to those statements included in this section.

The accompanying financial statements represent financial reporting requirements which provide two perspectives of the Palatine Park District's financial performance; a focus on the District as a whole (government-wide) and a focus on the major individual funds. These perspectives provide a broader basis upon which to compare and judge the Districts' financial accountability. Furthermore, they allow the user to address relevant questions, broadens a basis for comparison and enhances the Park District's accountability.

The Palatine Park District was established in 1945 to provide recreation activities and facilities for the residents of Palatine, Cook County, Illinois. The five-member volunteer Board of Commissioners serve six-year staggered terms and establish policies, strategic direction, and govern ordinances.

Financial Highlights for 2018

- The Palatine Park District completed the Harper College project (i.e. the construction of Building M, Harper's Health and Wellness facility).
- The financial statements show a restated net position due to a change in an accounting principle as the result of the implementation of GASB 75.
- The 2018 CAFR has been prepared to comply with the requirements needed to apply for the Government Finance Officers Award for Excellence in Financial Reporting for the fourth consecutive year.
- Net Position of the Park District totaled \$62.7 million as of December 31, 2018. Of this amount, \$52.7 million is invested in capital assets, \$6.8 million is restricted for special levies, and \$3.2 million is unrestricted and may be used to meet the general obligations of the District.
- Total tax revenue of \$14.6 million which includes replacement taxes collected, represents an increase of \$233,428 or 2%. Although the tax levy extended reflected an inflationary increase equal to the annual percentage change in the consumer price index (CPI), property tax revenues can fluctuate from year to year depending on various factors.
- Charges for services in 2018 totaled \$7,967,721 as compared to \$7,644,765 in 2017, reflects a 4% increase.
- The fund balance for the General Fund is \$9.6 million, an increase of \$919,831 from the prior year. This increase is based on two components: an operating surplus of \$178,831 and a transfer from the Debt Service Fund to cover the costs related to the District's Alternate Revenue Source Debt. The District makes this fund transfer when there is sufficient capacity in the proceeds from the District's annual levy. The transfer is based on the Debt Service Extension Base as the levy is first applied to G.O. Bonds.
- The Recreation Fund Balance increased by \$.308 million to \$6.8 million This year the change is significantly less than prior year due to a one-million-dollar transfer to the Acquisitions and Improvements Fund.

The MD&A is intended to serve as an introduction to the Park District's basic financial statements. The Palatine Park District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements. All three components are described below.

**Palatine Park District, Cook County, IL
Management Discussion and Analysis**

Government - Wide Financial Statements

The government-wide financial statements are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. These statements combine and consolidate governmental funds' current financial resources with capital assets and long-term obligations. They are developed using the accrual basis of accounting and economic resources measurement focus.

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. The Statement of Net Position presents the Park District's assets/deferred outflows and liabilities/deferred inflows, with the difference reported as net position over time. A change in net position is an indicator of the improvement (increase) or deterioration (decrease) in the Park District's financial condition.

The Statement of Activities presents the revenues and expenses of the Park District. The difference between revenues and expenses is the change in net position for the year. The costs of various activities supported by the Park District's general taxes and other resources is intended to summarize and simplify the user's analysis of the cost of various governmental services and subsidies to various fees for service activities.

The Governmental Activities in the Statement of Activities reflect the Park District's basic services, including general government operations that are funded by property taxes. The Recreation activities reflect fees for service operations including recreation programs and golf. The fee for services typically covers much of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Governmental Fund Financial Statements presentation more familiar. A fund is a grouping used to maintain control over resources that are segregated for specific activities or objectives. Major funds are reported separately while others are combined into a single aggregate presentation.

Governmental Funds are presented in the fund financial statements and encompass the same functions reported as governmental activities in the government wide financial statements. The focus is different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability with spendable resources and the balance of spendable resources at the end of the year. The information may be useful in evaluating the Park District's short-term financing requirement. Restrictions of \$493,342 and \$894,511 are included in the fund balances of the Debt Service and Special Recreation funds respectively and are shown as restricted.

Since the focus of the government-wide financial statements are longer term and comparisons between the governmental funds, they may provide insight to the long-term impact of near-term financial decisions. The governmental fund balance sheet as well as the governmental fund statement of revenues, expenditures, and changes in fund balances, provide a reconciliation to facilitate the comparison between governmental funds and the Statement of Net Position.

The Park District internally maintains five individual governmental funds. The information on four major funds is presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances. The four major funds are the General, Recreation, Capital Projects, and Debt Service Funds. Activity from any other governmental fund for which there is a tax levy is a non-major fund or the fifth fund.

The Park District adopts an annual appropriated budget for all its funds. Budgetary comparison statements are included in the basic financial statements found later in the report. These statements demonstrate compliance with the Park District's adopted annual appropriated budget, as amended and adopted on October 23, 2018.

**Palatine Park District, Cook County, IL
Management Discussion and Analysis**

Notes to the Financial Statements

The notes provide additional information that is essential to understanding data provided in the government-wide and fund financial statement. The Notes to the Financial Statements begin on page 12.

In addition to the basic financial statements and accompanying notes, the report also presents certain supplementary information concerning the Park District's IMRF employee pension obligations, as well as budgetary compliance schedules for the General, Recreation, Capital Projects, and Debt Service Funds. Required supplementary information can be found beginning on page 40 of this report. Individual fund statements and schedules can be found starting on page 46 of the report.

Government - Wide Financial Analysis

The Park District's Net Position over time may serve as a useful indicator of a government's financial position. The following table presents a condensed summary of the District's Net Position as of December 31, 2018 and 2017. In 2014 the district closed its remaining Enterprise Funds. As a result, the Financial Statements below represent only Governmental or Primary Government type activities.

**Palatine Park District
Net Position
12/31/2018 and 12/31/2017**

	2018	2017
Current & Other Assets	37,967,543	42,286,326
Capital Assets	68,158,282	68,944,193
Total Assets	106,125,825	111,230,519
Deferred Outflows of Resources	1,686,773	3,295,884
Total Assets and Deferred Outflows	107,812,598	114,526,403
Long Term Liabilities	24,279,408	28,021,721
Other Liabilities	3,262,906	3,022,717
Total Liabilities	27,542,314	31,044,438
Deferred Inflows of Resources	17,521,118	15,310,081
Total Liabilities and Deferred Inflows	45,063,432	46,354,519
Net Position		
Net Investment in Capital Assets	52,666,687	60,935,864
Restricted	6,837,787	4,151,160
Unrestricted	3,244,692	3,084,859
Total Net Position	62,749,166	68,171,883

The Park District's assets and deferred outflows exceeded liabilities/deferred inflows by \$63 million on December 31, 2018. The largest portion of the District's net position is its investment in capital assets such as land infrastructures, buildings, machinery, and equipment, less any related debt to acquire those assets that are still outstanding. Net Investment in Capital Assets represent 48.9% of the District's total assets including deferred outflows. The purpose of capital assets is to provide services to its residents and thus these resources are not available for future spending. It

Palatine Park District, Cook County, IL
Management Discussion and Analysis

is important to recognize that the resources needed to repay this debt must come from other sources as capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used or are not able to be spent. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to residents and creditors.

Tax revenue represents the largest portion of the revenue base representing 63% of the total as shown in the Statement of Activities. The District's goal is to maintain as close to an even split between property tax revenues and those related to user fees. Property taxes fund governmental activities which include but are not limited to the District's contribution to the Illinois Municipal Retirement Fund (IMRF) and Social Security Fund, as well as the Audit, Liability, and the Special Recreation Fund.

Charges for services accounted for the next largest portion of revenue. Since the District does not receive enough funding from property taxes, it must charge fees for programs and services to subsidize the costs of the program offerings. Pricing for programs and services is evaluated each year during preparation of the upcoming budget. Other income accounts for a small percentage of total revenues or 3%.

The District's net position decreased by \$4.7 million from the prior year. This decrease relates to planned capital purchases related to Harper College and a change in accounting principle. The operating deficit in the Capital Projects Fund in 2018 is \$7.2 million and is the primary cause of the decrease in the District's net position. Furthermore, it is important to note that the District's operating funds (General, Recreation, and Special Recreation) reflected a surplus of approximately \$1.8 million.

Normal Impacts on Net Position

There are six typical transactions that will affect the comparability of the statement of net position summary presentation.

Net Results of Activities – The results of net activities will impact current assets and unrestricted net position depending on whether there is a surplus or a deficit.

Borrowing for Capital – This increases current assets and long- term debt.

Spending Borrowed Proceeds on Capital – There are two impacts with respect to this transaction. This transaction will increase capital assets while reducing current assets. Additionally, there is an increase in the net investment in capital assets and related net debt. This does not impact the net investment in capital assets.

Spending of Nonborrowed Current Assets on New Capital - There are two impacts. The first impact results in current assets being reduced and capital assets increasing. Additionally, unrestricted net position will decrease while increasing the net investment in capital assets.

**Palatine Park District, Cook County, IL
Management Discussion and Analysis**

Principal Payment on Debt – The impact of this transaction reduces current assets and long-term debt while at the same time reducing unrestricted net position and increasing the net investment in capital assets.

Reduction of Capital Assets Through Depreciation – This transaction reduces both capital assets and the net investment in capital assets.

Change in Net Position

The District's combined change in net position is (\$4.7) million. Total revenues increased by \$714,602 while expenses increased by \$2.8 million. The following chart shows the revenues and expenses of the District's activities.

**Palatine Park District
Statement of Activities
12/31/2018 and 12/31/2017**

	2018	2017
Functions/Programs		
Primary Government		
General Government Expense	8,459,833	9,500,848
Culture and Recreation Expense	18,812,094	14,912,921
Interest and Fiscal Charges	790,548	896,438
Total Primary Government	28,062,475	25,310,207
Revenues		
Program Revenues		
Culture and Recreation Revenue	7,967,721	7,644,765
General Revenues		
Property Taxes	14,436,921	14,153,383
Replacement Taxes	148,461	198,571
Intergovernmental-Unrestricted	132,218	52,100
Investment Income	317,785	230,015
Miscellaneous	321,741	331,411
Total	23,324,847	22,610,245
Change in Net Position	(4,737,628)	(2,699,962)
Net Position, January 1	68,171,884	71,175,566
Change in Accounting Principle		
Prior Period Adjustment	(685,090)	(303,721)
Net Position January 1, Restated	67,486,794	70,871,845
Net Position December 31	62,749,166	68,171,883

**Palatine Park District, Cook County, IL
Management Discussion and Analysis**

Normal Impacts on Activities

There are eight typical factors that impact revenues and expenses as defined below.

Economic Condition – The local, state, and national economic environment will impact revenues and to some extent expenditures. Economic condition has a direct impact on the fees and sales earned by the District.

Increase/Decrease in rates – The District's primary source of revenues is property tax. The District has little control over these rates because they are subject to a tax cap equal to the lessor of the CPI or 5%. The District may levy for up to .04% of its Equalized Assessed Valuation for serving the special needs community if necessary.

Changing Patterns in Intergovernmental and Grant Revenue – The Park District attempts to apply for grants and is often successful. Likewise, the District may receive impact fees or other miscellaneous revenues that tend to not be reoccurring.

Interest Rates – Interest rates have an impact on the District's investment portfolio as well as on its ability to borrow. These two factors are inversely related.

Introduction of New Programs – The Park District continues to attempt to provide fresh offerings to the Public and will often introduce new programs. These programs may ultimately be successful, but at the outset often negatively impact activities.

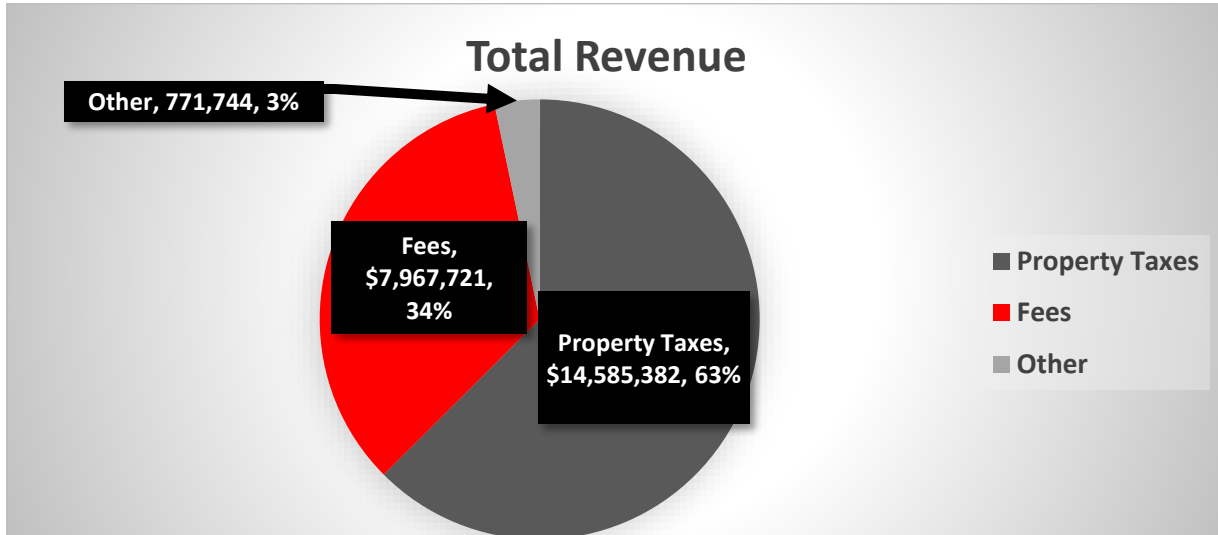
Increases or decreases to staff size - The District endeavors to operate as efficiently as possible but opportunities and changes may alter its operating plan. This can result in either an increase or decreases to the staff size. Staff costs represent by far the largest operating costs and include benefits provided to staff as well.

Salary increases – Except under particularly difficult financial circumstance, the District increases wages annually to retain the human and intellectual resources needed to stay competitive.

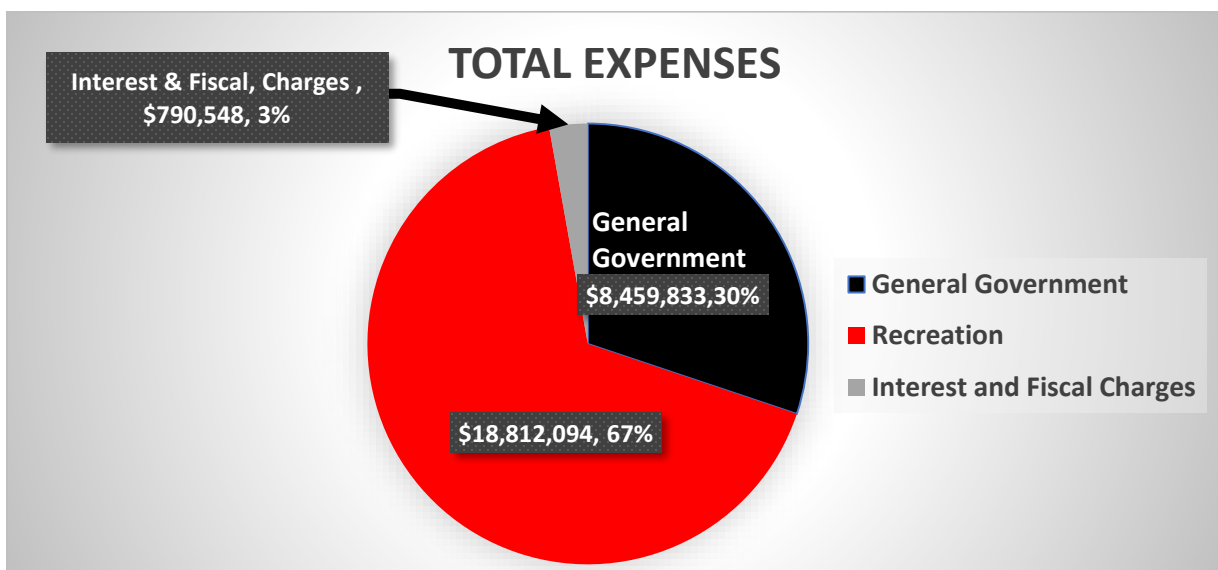
Inflation – Currently, inflation is not a primary concern, but certain components of products used by the Park District may experience significant fluctuations from time to time.

**Palatine Park District, Cook County, IL
Management Discussion and Analysis**

Revenues for 2018 totaled \$23,324,847. As is indicated below or in the Statement of Activities, property tax revenue represents approximately 63% of the total revenue. Revenues for fees and charges increased in 2018 by \$300,000. It is the goal of the Park District to reduce reliance on property tax revenues to approximately 50%.



The total cost of providing programs and services was \$28 million. General Government expense accounted for 30% of total expenses or \$8.4 million. These expenses include administrative and park maintenance services needed to support all District operations including recreational programs and services as well as \$719,797 in depreciation expense. Recreation expenses include direct costs associated with providing recreational programs and operational costs and \$1.7 million in depreciation expenses. Recreation expenses comprised 67% of the total expenses or \$18.8 million. The remaining expenditures relate to interest and other debt related charges. Most significantly, included in the total costs are \$7.8 million in capital outlay costs focused heavily on the Recreation Fund; more specifically, the completion of the Harper College project.



**Palatine Park District, Cook County, IL
Management Discussion and Analysis**

Financial Analysis of the District's Funds

Governmental Funds – Since the District eliminated its enterprise funds in 2014, the District has only governmental funds. The combined fund balance of the five funds (General, Recreation, Debt Service, Acquisition and Improvements, and Special Recreation) as of December 31, 2018 is \$20 million. This is a decrease of \$4.9 million from prior year. This is the effect from the completion of the Harper College project and other capital expenditures. The Fund balance is comprised of the following components:

Non-spendable Fund Balance is \$227,999. This represents prepaid items and golf course inventory.

Restricted Fund Balance is \$6.8 million. This balance is subject to legal restrictions based on the District's annual tax levy. The remaining balances are restricted to the purpose for which they were levied. The breakdown is as follows:

Retirement	\$ 4,902,441
Debt Service	\$ 493,342
Special Recreation	\$ 894,511
Liability Insurance:	\$ 446,005
Museum	\$ 101,488
Totals	\$ 6,837,787

Assigned Fund Balance represents those fund balances segregated for intended use of resources. This applies specifically to those balances in the Capital Projects and Recreation Funds. The Assigned Fund Balance totals \$8.9 million on December 31, 2018.

Unassigned Fund Balance is \$4 million. These funds are contained in the General Fund and represent financial resources that are not the object of a tentative management plan.

The General Fund is the District's primary operating fund and is responsible for all the support provided to the District's programs and operations. The General Fund is responsible for maintenance of all the parks as well as all administrative support such as finance, human resources, and risk management. Currently, the General Fund is the District's largest fund although that is subject to change from time to time, based on activity in the Recreation Fund. In 2018, the General Fund balance increased by \$919,831, which represents excess revenues over expenditures of \$178,831 and a transfer from debt service of \$741,000 to cover the cost of ARS Bonds.

Revenues exceeded expectations by 2% and expenditures were 19% as compared to budget (approximately one million dollars). The primary reason is due to carry forward capital projects that were not completed in 2018 and the reduction in costs relates to the District's insurance program. The District self-funds a large portion of its employees (and their dependents) deductibles as part of a high deductible plan. To be conservative, the District budgets as if they will be funding 100% of all deductibles. In 2018, only 59% of the deductible was funded creating a savings.

**Palatine Park District, Cook County, IL
Management Discussion and Analysis**

General Fund Budgetary Highlights

	2018	2018	2018	2017
	Original Budget	Final Budget	Actual	Actual
Revenues	8,333,865	8,333,865	8,534,538	8,030,537
Expenditures	9,337,332	10,271,065	8,355,707	7,997,417
Excess (Deficiency) of				
Revenue over expenditures	(1,003,467)	(1,937,200)	178,831	33,120
Transfers	749,400	749,400	741,000	747,328
Net Change in Fund Balance	(254,067)	(1,187,800)	919,831	780,448

Significant Changes to Fund Balances

Recreation Fund - The Recreation Fund Balance increased by .308 million dollars in 2018 to a balance of \$6.8 million dollars at year end. The decrease in the net change in Fund Balance in comparison to prior year is due to a one-million-dollar transfer to the Acquisitions and Improvements Fund. The intent is to transfer such amount on an annual basis to help subsidized capital expenditures. While revenues fell short of expectations, it did not reflect on the net bottom line since expenditures were below budget.

Acquisitions and Improvements Fund – The Acquisitions and Improvements Fund decreased by \$6.1 million to an ending balance of \$2.2 million, even though ended the year with a \$7.2 million deficit. Once again, this was mainly due to the expenditures for the completion of the Harper College project. Even so, this fund had the cash available from monies earmarked from Bond proceeds received in 2017.

Capital Assets

The District's net investment in Capital Assets totaled \$53 million on December 31, 2018, a decrease of \$8.3 million as compared to 2017. The investment in capital assets includes land, buildings, equipment, vehicles, furniture and other infrastructure related costs. A summary of the change in Capital Assets appears below.

Capital Assets - Net of Depreciation As of December 31	2018	2017	Increase/ (Decrease)	Increase/ (Decrease)
Land	\$ 33,737,978	\$ 33,737,978	\$ -	0.00%
Buildings and Improvements	\$ 20,838,098	\$ 21,641,618	\$ (803,520)	-3.71%
Land Improvements	\$ 9,354,762	\$ 9,808,264	\$ (453,502)	-4.62%
Furniture and Equipment	\$ 3,084,651	\$ 3,469,753	\$ (385,102)	-11.10%
Construction-in-Progress	\$ 1,142,793	\$ 286,580	\$ 856,213	298.77%
Total Net Capital Assets	68,158,282	\$ 68,944,193	\$ (785,911)	-1.14%

**Palatine Park District, Cook County, IL
Management Discussion and Analysis**

Debt Outstanding

In calendar year 2018, the District issued its annual roller over bond in the amount of \$749,000 at a rate of 2% to pay for a portion of the debit services on its outstanding referendum bonds. As of December 31, 2018, the Park District has \$21,715,000 in outstanding debt and an ending balance of \$826,110 for total bond premiums. General Obligations bonds and debt certificates are direct obligations and pledge of the full faith and credit of the District. The details for the District's debts are in the notes to financial statements starting on page 24.

Economic Factors

Despite a relatively flat economy, through conservative management, the District is healthy. Current and past Board Commissioners have been attentive on building reserves to take advantage of opportunities when they arise. Moving forward, two of the Village of Palatine's TIF districts are set to expire in a couple of years which will provide the Park District with increased property tax revenues.

Prudent financial planning is further necessary to ensure that the District is well positioned to ensure that program offerings are cost effective and managed within the Park District's budget. The Park District is further committed to work with other agencies within its community and enjoys a strong working relationship with the Village, School Districts, and other Community Agencies. With the Board of Commissioner's commitment to maintaining reserves and leading with careful planning for future expansion, the Park District will continue to serve its residents with excellent programs and facilities.

Contacting the Park District's Financial Management

This financial report is designed to provide our residents and customers with a general overview of the Park District's finances and to demonstrate the Park District's commitment to public accountability. If you have any questions or comments about this report or would like to request additional financial information, please contact the Finance Division, Palatine Park District, 250 E. Wood, Palatine, Illinois 60067. This report can also be found on the Park District's web site at www.palatineparks.org.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 20,995,694
Receivables (net, where applicable, of allowances for uncollectibles)	
Property taxes	15,319,881
Notes	901,458
Accounts	382,028
Interest	140,483
Prepaid expenses	220,028
Inventory	7,971
Capital assets not being depreciated	34,880,771
Capital assets being depreciated (net of accumulated depreciation)	<u>33,277,511</u>
Total assets	<u>106,125,825</u>
DEFERRED OUTFLOWS OF RESOURCES	
Unamortized loss on refunding	805,362
Pension items - IMRF	<u>881,411</u>
Total deferred outflows of resources	<u>1,686,773</u>
Total assets and deferred outflows of resources	<u>107,812,598</u>
LIABILITIES	
Accounts payable	935,058
Accrued payroll	473,827
Accrued interest payable	55,208
Other unearned revenue	327,422
Long-term liabilities	
Due within one year	1,471,391
Due in more than one year	<u>24,279,408</u>
Total liabilities	<u>27,542,314</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	15,303,172
Pension items - IMRF	2,191,140
OPEB items	<u>26,806</u>
Total deferred inflows of resources	<u>17,521,118</u>
Total liabilities and deferred inflows of resources	<u>45,063,432</u>
NET POSITION	
Net investment in capital assets	52,666,687
Restricted for	
Liability insurance	446,005
Museum	101,488
Special recreation	894,511
Retirement	4,902,441
Debt service	493,342
Unrestricted	<u>3,244,692</u>
TOTAL NET POSITION	<u><u>\$ 62,749,166</u></u>

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2018

	<u>General</u>	<u>Recreation</u>	<u>Acquisition and Improvements</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and investments	\$ 9,661,878	\$ 7,393,511	\$ 2,555,498	\$ 491,204	\$ 893,603	\$ 20,995,694
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	8,330,668	4,196,606	-	1,960,034	832,573	15,319,881
Interest	112,351	-	28,132	-	-	140,483
Notes	901,458	-	-	-	-	901,458
Accounts	38,298	343,730	-	-	-	382,028
Inventory	-	7,971	-	-	-	7,971
Prepaid items	195,261	24,767	-	-	-	220,028
TOTAL ASSETS	<u>\$ 19,239,914</u>	<u>\$ 11,966,585</u>	<u>\$ 2,583,630</u>	<u>\$ 2,451,238</u>	<u>\$ 1,726,176</u>	<u>\$ 37,967,543</u>

	General	Recreation	Acquisition and Improvements	Debt Service	Total Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 173,642	\$ 380,754	\$ 380,662	\$ -	\$ -	\$ 935,058
Accrued payroll	234,803	239,024	-	-	-	473,827
Other unearned revenue	-	327,422	-	-	-	327,422
Total liabilities	408,445	947,200	380,662	-	-	1,736,307
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - notes	901,458	-	-	-	-	901,458
Unavailable property taxes	8,321,582	4,192,029	-	1,957,896	831,665	15,303,172
Total deferred inflows of resources	9,223,040	4,192,029	-	1,957,896	831,665	16,204,630
Total liabilities and deferred inflows of resources	9,631,485	5,139,229	380,662	1,957,896	831,665	17,940,937
FUND BALANCES						
Nonspendable						
Inventory	-	7,971	-	-	-	7,971
Prepaid items	195,261	24,767	-	-	-	220,028
Restricted						
Liability insurance	446,005	-	-	-	-	446,005
Museum	-	101,488	-	-	-	101,488
Special recreation	-	-	-	-	894,511	894,511
Retirement	4,902,441	-	-	-	-	4,902,441
Debt service	-	-	-	493,342	-	493,342
Assigned						
Recreation programs	-	6,693,130	-	-	-	6,693,130
Capital projects	-	-	2,202,968	-	-	2,202,968
Unassigned						
General fund	4,064,722	-	-	-	-	4,064,722
Total fund balances	9,608,429	6,827,356	2,202,968	493,342	894,511	20,026,606
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 19,239,914	\$ 11,966,585	\$ 2,583,630	\$ 2,451,238	\$ 1,726,176	\$ 37,967,543

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION**

December 31, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 20,026,606
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 governmental funds	68,158,282
The loss on refunding of bonds is deferred and amortized on the statement of net position	805,362
Differences between expected and actual experiences, assumption changes and the net difference between projected and actual earnings for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(1,309,729)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for other postemployment benefits are recognized as deferred inflows of resources on the statement of net position	(26,806)
Revenues are recognized for governmental activities when earned regardless of availability	901,458
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(21,715,000)
Net pension liability - IMRF	(2,184,432)
Total OPEB liability	(643,302)
Unamortized premium on bonds payable	(826,110)
Compensated absences payable	(381,955)
Accrued interest payable	(55,208)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 62,749,166

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	General	Recreation	Acquisition and Improvements	Debt Service	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 8,187,691	\$ 3,650,395	\$ -	\$ 1,938,351	\$ 808,945	\$ 14,585,382
Charges for services	-	7,967,721	-	-	-	7,967,721
Intergovernmental	-	-	132,218	-	-	132,218
Investment income	226,329	-	91,456	-	-	317,785
Donations	1,855	11,160	-	-	-	13,015
Miscellaneous	118,663	77,647	247,169	-	-	443,479
Total revenues	8,534,538	11,706,923	470,843	1,938,351	808,945	23,459,600
EXPENDITURES						
Current						
General government	7,643,891	-	-	-	-	7,643,891
Culture and recreation	-	10,316,194	-	-	484,296	10,800,490
Capital outlay	81,786	82,405	7,671,636	-	-	7,835,827
Debt service						
Principal retirement	410,000	-	-	950,000	-	1,360,000
Interest and fiscal charges	219,663	-	-	537,012	-	756,675
Bond issuance costs	367	-	-	9,696	-	10,063
Total expenditures	8,355,707	10,398,599	7,671,636	1,496,708	484,296	28,406,946
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	178,831	1,308,324	(7,200,793)	441,643	324,649	(4,947,346)

	General	Recreation	Acquisition and Improvements	Debt Service	Total Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 741,000	\$ -	\$ 1,095,915	\$ -	\$ -	\$ 1,836,915
Transfers (out)	-	(1,000,000)	-	(741,000)	(95,915)	(1,836,915)
Total other financing sources (uses)	741,000	(1,000,000)	1,095,915	(741,000)	(95,915)	-
NET CHANGE IN FUND BALANCES	919,831	308,324	(6,104,878)	(299,357)	228,734	(4,947,346)
FUND BALANCES, JANUARY 1	8,688,598	6,519,032	8,307,846	792,699	665,777	24,973,952
FUND BALANCES, DECEMBER 31	\$ 9,608,429	\$ 6,827,356	\$ 2,202,968	\$ 493,342	\$ 894,511	\$ 20,026,606

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (4,947,346)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized in the statement of activities	
Capital assets purchased	1,691,573
Loss on disposal of capital assets	(1,683)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds	(134,753)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(2,475,801)
Amortization of bond premiums	48,398
Amortization of loss on refunding	(71,663)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	1,360,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	(545)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	2,906,110
The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(3,109,534)
The change in other post employment benefit payable is reported as an expense on the statement on activities	41,788
The change in deferred inflows of resources for other post employment benefit payable is reported only on the statement of activities	(26,806)
The change in compensated absences liability is reported as an expense on the statement of activities	<u>(17,366)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (4,737,628)</u>

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Palatine Park District, Palatine, Illinois (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District is a municipal corporation governed by an elected five-member board. As required by GAAP, these financial statements present the District (the primary government). There are no component units that are required to be included in the District's reporting entity because of the significance of their operational or financial relationship with the District.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The District's funds are classified into the governmental category:

Governmental funds are used to account for all of the District's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the acquisition or construction of major capital assets other than those financed by proprietary funds (capital projects funds) and the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term obligations (debt service funds). The General Fund is used to account for all activities of the District not accounted for in another fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. With the exception of interfund services provided and used, the effect of material interfund activity has been eliminated from these statements. Governmental activities, are normally supported by taxes and intergovernmental revenues.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

The General Fund (the District's Corporate Fund) accounts for the resources traditionally associated with local government, except those accounted for in another fund. Included in these services are general administration and park maintenance. Financing is primarily provided from an annual property tax levy and Illinois personal property replacement taxes.

The Recreation Fund accounts for the operations of the District's recreational programs and concessions. Financing is provided from an annual property tax levy restricted by the state for recreation purposes and fees and charges for programs and activities assigned for recreation purposes.

The Acquisitions and Improvement Fund accounts for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Financing is provided by grants and donations.

The Debt Service Fund was established to account for restricted, committed or assigned resources required for the payment of principal and interest.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related liability is incurred. Principal and interest on general long-term debt are recorded as expenditures become due.

Those revenues susceptible to accrual (within 60 days) are property taxes, interest revenue and charges for services.

The District reports unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable revenues arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred revenues arise when property tax levies are intended to finance the next fiscal year. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the District before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the issuance of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability and deferred inflows of resource for unearned and unavailable/deferred revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Inventories

Inventories are valued at cost, which approximates market, using the weighted average method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items. The costs of governmental fund prepaid items are recorded as expenditures when consumed rather than when purchased.

h. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., bike trails, paths, roads, bridges and similar items) and intangibles (software and easements) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$250,000 for infrastructure, \$50,000 for buildings and building improvements and \$10,000 for vehicles, machinery and equipment and furniture and fixtures and an estimated useful life in excess of three years. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Improvements	10-30
Machinery and equipment	15-20
Furniture and fixtures	5-20
Vehicles	7-10

i. Compensated Absences

Accumulated unpaid vacation and other employee benefit amounts for governmental funds are accrued in these funds as a current liability to the extent that employees have retired or terminated at year end but have not been paid. Vested or accumulated vacation leave of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees. No liability is reported for unpaid accumulated sick leave since it is the District's policy to record the cost of sick leave only when used as it does not vest or accumulate, nor is it paid upon termination and/or retirement.

j. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows and outflows of resources and disclosure of contingent assets, liabilities and deferred inflows and outflows of resources 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.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Unamortized losses or gains on refundings, bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported as net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

l. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Commissioners, which is considered the District's highest level of decision-making authority. Formal action to establish, modify or rescind commitments involves ordinances approved by the Board of Commissioners. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's Executive Director through the District's fund balance policy. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the District considers committed funds to be expended first followed by assigned funds and then unassigned funds.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balance/Net Position (Continued)

The various special revenue funds supported by property taxes are restricted due to the restricted revenue streams of the fund balance. Other funds are restricted due to the nature of the contributions to the fund.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

m. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers.

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so it will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period these amounts become available.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

The District's funds categorize the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

Permitted Deposits and Investments - Illinois Compiled Statutes (ILCS) and the District's investment policy authorize the District to invest in obligations issued by the United States Government, investments constituting direct obligations of any bank, short-term commercial paper of United States corporations with assets exceeding \$500 million, short-term obligations issued by the Federal National Mortgage Association, shares or other securities issued by savings and loan associations, share accounts of credit unions chartered in the United States with its principal office located in Illinois, securities issued by The Illinois Funds, Illinois Park District Liquid Asset Fund (IPDLAF), Illinois Metropolitan Investment Fund (IMET) and other securities as allowed by the Illinois Public Funds Investment Act.

The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Investments in The Illinois Funds are valued at The Illinois Funds' share price, the price at which the investment could be sold.

IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

In addition, the Board of Commissioners of the District has adopted an investment policy which provides further restrictions on the investment of district funds. It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are: legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral to be held in the name of the District by the District's agent with a market value of at least 102% for all bank balances in excess of federal depository insurance.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments

The following table presents the investments and maturities of the District's debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Negotiable certificates of deposit	\$ 12,621,968	\$ 10,134,483	\$ 2,487,485	\$ -	\$ -
TOTAL	\$ 12,621,968	\$ 10,134,483	\$ 2,487,485	\$ -	\$ -

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring its portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

The District has the following recurring fair value measurements as of December 31, 2018: the negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

In order to limit its exposure to concentration of credit risk, the District's investment policy limits the District's investments to the safest types of securities: pre-qualified financial institutions, broker/dealers, intermediaries and advisors with which the District does business and diversifies the investment portfolio so that potential losses on individual securities will be minimized.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in 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 in a custodial account with the trust department of an approved financial institution. IMET funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The investment policy does not include any limitations on individual investment types.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES

a. Taxes

Property taxes for 2018 attach as an enforceable lien on January 1, 2018, on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and issued on or about February 1, 2018 and July 1, 2018 and are payable in two installments on or about March 1, 2018 and August 1, 2018. The County collects such taxes and remits them periodically.

b. Notes

The District has executed for notes receivable to various organizations utilizing and seeking to improve District facilities. These notes range in principal from \$90,000 to \$889,000 and total \$901,458. Payments are due in annual installments ranging from \$6,000 to \$90,000 with interest ranging from zero to 4.25%, maturing between 2023 and 2031.

4. JOINT GOVERNED ORGANIZATION - NORTHWEST SPECIAL RECREATION ASSOCIATION

The District is a member of the Northwest Special Recreation Association (NWSRA), which was organized by 16 area park districts in order to provide special recreation programs to the physically and mentally handicapped within their districts and to share the expenses of such programs on a cooperative basis. Each member district's fiscal year 2018 contribution is based on its pro rata share of 75% of the assessed valuation and 25% of the gross populations. For the year ended December 31, 2018, the District contributed \$484,102 to NWSRA.

NWSRA's Board of Directors consists of one member from each participating district. The Board of Directors is the governing body of NWSRA and is responsible for establishing all major policies and changes therein and for approving all budgets, capital outlay, programming and master plans. The District is not financially accountable for the activities of NWSRA and, accordingly, NWSRA has not been included in the accompanying financial statements.

Complete financial statements for NWSRA can be obtained from NWSRA administrative offices at 3000 Central Road, Rolling Meadows, Illinois 60008.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 33,737,978	\$ -	\$ -	\$ 33,737,978
Construction in progress	286,580	1,040,154	183,941	1,142,793
Total capital assets not being depreciated	<u>34,024,558</u>	<u>1,040,154</u>	<u>183,941</u>	<u>34,880,771</u>
Capital assets being depreciated				
Land improvements	22,912,903	412,792	-	23,325,695
Buildings and improvements	48,350,518	53,657	-	48,404,175
Furniture and fixtures	3,211,165	-	-	3,211,165
Equipment	12,014,557	368,911	66,869	12,316,599
Total capital assets being depreciated	<u>86,489,143</u>	<u>835,360</u>	<u>66,869</u>	<u>87,257,634</u>
Less accumulated depreciation for				
Land improvements	13,104,639	866,294	-	13,970,933
Buildings and improvements	26,708,900	857,177	-	27,566,077
Furniture and fixtures	3,086,267	44,780	-	3,131,047
Equipment	8,669,702	707,550	65,186	9,312,066
Total accumulated depreciation	<u>51,569,508</u>	<u>2,475,801</u>	<u>65,186</u>	<u>53,980,123</u>
Total capital assets being depreciated, net	<u>34,919,635</u>	<u>(1,640,441)</u>	<u>1,683</u>	<u>33,277,511</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 68,944,193</u>	<u>\$ (600,287)</u>	<u>\$ 185,624</u>	<u>\$ 68,158,282</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 719,797
Culture and recreation	<u>1,690,818</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,410,615</u></u>

6. RISK MANAGEMENT

The District is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

a. Metro Risk Management Agency

Since 1987, the District has been a member of the Metro Risk Management Agency (MRMA), a joint risk management pool of park districts through which property, general liability, automobile liability, crime, boiler and machinery, public officials 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 MRMA's Program, the District is represented on the MRMA Board of Directors and is entitled to one vote. The relationship between the District and MRMA 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 MRMA, to report claims on a timely basis, cooperate with MRMA, its claims administrator and attorneys in claims investigation and settlement and to follow risk management procedures as outlined by MRMA.

The District does not exercise any control over the activities of MRMA beyond its representation on the Council and Membership Assembly.

Members have a contractual obligation to fund any deficit of MRMA attributable to a membership year during which they were a member. The District is not aware of any supplemental assessments owed to MRMA for the past claim year.

MRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the MRMA Board of Directors. MRMA 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 MRMA's Property/Casualty Program's balance sheet at March 31, 2018 (the most recent information available) and the statement of revenues and expenses for the period ended March 31, 2018. The District made payments of \$618,061 to MRMA during the year ended December 31, 2018.

Assets	\$ 1,607,985
Liabilities	595,555
Member balances	1,012,430
Revenues	1,691,693
Expenditures	775,485

Complete financial statements for MRMA can be obtained from MRMA's administration offices at P.O. Box 516, Northbrook, Illinois 60062.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

b. Intergovernmental Personnel Benefit Cooperative

The District participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities.

IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Benefit Administrator and a Treasurer. The District does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

7. SHORT-TERM DEBT

Changes in Short-Term Liabilities

During the year ended December 31, 2018, the following changes occurred in short-term liabilities:

	Fund Debt Retired By	Balance May 1	Additions	Reductions	Balance April 30	Current Portion
Taxable General Obligation Limited Tax Park Bond Series of 2018; \$749,000 dated April 3, 2018; maturing April 10, 2018; payable in annual installments; interest rate of 2%	Debt Service	\$ -	\$ 749,000	\$ 749,000	\$ -	\$ -
TOTAL		\$ -	\$ 749,000	\$ 749,000	\$ -	\$ -

8. LONG-TERM DEBT

a. General Obligation Bonds

The General Obligation Series 2017 Bonds were issued to refund certain outstanding general obligation alternate bonds.

The District issues general obligation bonds and debt certificates to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

General obligation bonds and debt certificates are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions/ Refundings	Balances December 31	Current Portion
\$3,000,000 General Obligation Alternative Revenue Source Bonds, Series 2011, due in installments of \$170,000 to \$250,000 plus interest at 2.250% to 4.125% through December 1, 2025.	Bond and Interest	\$ 1,745,000	\$ -	\$ 190,000	\$ 1,555,000	\$ 200,000
\$2,750,000 General Obligation Refunding Bonds, Series 2012, due in installments of \$305,000 to \$415,000 plus interest at 2.00% to 3.50% through December 1, 2023.	Bond and Interest	2,230,000	-	330,000	1,900,000	340,000
\$2,530,000 Taxable General Obligation Limited Bonds, Series 2015B, due in installments of \$155,000 to \$630,000 plus interest at 0.70% to 1.90% through December 1, 2019.	Bond and Interest	1,250,000	-	620,000	630,000	630,000
\$5,335,000 General Obligation Alternate Revenue Source Refunding Park Bonds, Series 2015C, due in installments of \$65,000 to \$1,145,000 plus interest at 2% to 4% through December 1, 2026.	Bond and Interest	4,905,000	-	220,000	4,685,000	225,000
\$4,125,000 General Obligation Limited Tax Refunding Park Bonds, Series 2015D, due in installments of \$390,000 to \$845,000 plus interest at 2.50% to 4.00% through December 1, 2027.	Bond and Interest	4,125,000	-	-	4,125,000	-

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions/ Refundings	Balances December 31	Current Portion
\$8,820,000 General Obligation Park Bond, Series 2017, due in installments of \$500,000 to \$1,070,000 plus interest at 3% to 4% through December 1, 2036.	Bond and Interest	\$ 8,820,000	\$ -	\$ -	\$ 8,820,000	\$ -
TOTAL GOVERNMENTAL ACTIVITIES		<u>\$ 23,075,000</u>	<u>\$ -</u>	<u>\$ 1,360,000</u>	<u>\$ 21,715,000</u>	<u>\$ 1,395,000</u>

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	General Obligation Bonds	
	Principal	Interest
2019	\$ 1,395,000	\$ 723,770
2020	1,445,000	688,350
2021	1,485,000	642,025
2022	1,505,000	594,425
2023	1,560,000	549,300
2024	1,590,000	496,013
2025	1,635,000	438,488
2026	1,435,000	389,013
2027	1,345,000	345,961
2028	805,000	303,500
2029	830,000	279,350
2030	855,000	254,450
2031	880,000	228,800
2032	915,000	198,000
2033	950,000	161,400
2034	990,000	123,400
2035	1,025,000	83,800
2036	1,070,000	42,800
TOTAL	<u>\$ 21,715,000</u>	<u>\$ 6,542,845</u>

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities:

	Balances January 1, as Restated	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL					
ACTIVITIES					
General obligation bonds	\$ 23,075,000	\$ -	\$ 1,360,000	\$ 21,715,000	\$ 1,395,000
Compensated absences*	364,589	90,278	72,912	381,955	76,391
Unamortized premium	874,508	-	48,398	826,110	-
OPEB	685,090	-	41,788	643,302	-
Net pension liability - IMRF*	5,090,542	-	2,906,110	2,184,432	-
TOTAL GOVERNMENTAL	\$ 30,089,729	\$ 90,278	\$ 4,429,208	\$ 25,750,799	\$ 1,471,391
ACTIVITIES					

*The General and Recreation Funds are used to liquidate these liabilities.

d. Legal Debt Margin

ASSESSED VALUATION - 2017 (LATEST AVAILABLE AMOUNT)	<u>\$ 2,242,622,472</u>
LEGAL DEBT LIMIT - 2.875% OF ASSESSED VALUATION	\$ 64,475,396
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT	
GENERAL OBLIGATION DEBT	
Park Bonds Series 2012A	\$ 1,900,000
Park Bonds Series 2015B	630,000
Park Bonds Series 2015D	4,125,000
Park Bond Series of 2017	<u>8,820,000</u>
LEGAL DEBT MARGIN	<u>\$ 15,475,000</u>
NONREFERENDUM LEGAL DEBT LIMIT - 0.575% OF ASSESSED VALUATION	\$ 12,895,079
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT	
Park Bond Series of 2012A	<u>1,900,000</u>
NONREFERENDUM LEGAL DEBT MARGIN	<u>\$ 10,995,079</u>

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

d. Legal Debt Margin (Continued)

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 protecting 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 5.75% 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."

In 1977, no such a referendum was approved (from 2.50% to 5.00%). When the personal property tax was eliminated, the limitation was raised to 5.75%.

e. Alternate Revenue Source Bonds

The District issued the Series 2011 General Obligation Alternate Revenue Source Bonds to provide funds for the renovation of Eagle Pool. These bonds are payable from a pledge money lawfully available in the District's general fund and proceeds of the District's non-referendum general obligation bonds to be issued.

The District issued the Series 2017 General Obligation Alternate Revenue Source Bonds to provide the District's contribution to the construction of the Aquatic Area at Harper College in accordance with an intergovernmental agreement. These bonds are payable from a pledge money lawfully available in the District's general fund and proceeds of the District's non-referendum general obligation bonds to be issued.

The remaining pledge of the General Fund, if necessary, is taken from revenues available to the District in the following order: unbudgeted miscellaneous revenues, investment income and replacement tax. Should that be insufficient, the District would charge such excess to the General Fund's accumulated fund balance. The remaining pledge of moneys lawfully available in the District's corporate fund and proceeds of the District's non-referendum general obligation bonds to be issued is displayed in

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

e. Alternate Revenue Source Bonds (Continued)

Note 8d, debt service requirements to maturity, with the pledge expiring December 15, 2036, when the bonds are paid off. During the current fiscal year, the pledge moneys lawfully available in the District's General Fund and proceeds of the District's non-referendum general obligation bonds to be issued of \$61,484 was approximately 8% of total unbudgeted miscellaneous revenues, investment income and replacement tax revenues.

9. CONTINGENT LIABILITIES

a. Litigation

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

b. 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.

10. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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.

Plan Membership

At December 31, 2017 (most recent information available), IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	92
Inactive employees entitled to but not yet receiving benefits	112
Active employees	<u>113</u>
 TOTAL	 <u><u>317</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rates for the calendar year ended December 31, 2017 and 2018 was 12.82% and 12.46%, respectively, of covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Price inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.50%
Asset valuation method	Market value

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

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the District's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 31,803,146	\$ 26,712,604	\$ 5,090,542
Changes for the period			
Service cost	594,566	-	594,566
Interest	2,361,792	-	2,361,792
Difference between expected and actual experience	100,340	-	100,340
Changes in assumptions	(966,365)	-	(966,365)
Employer contributions	-	727,676	(727,676)
Employee contributions	-	268,266	(268,266)
Net investment income	-	4,465,008	(4,465,008)
Benefit payments and refunds	(1,219,742)	(1,219,742)	-
Administrative expense	-	-	-
Other (net transfer)	-	(464,507)	464,507
Net changes	870,591	3,776,701	(2,906,110)
BALANCES AT DECEMBER 31, 2017	\$ 32,673,737	\$ 30,489,305	\$ 2,184,432

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2018, the District recognized pension expense of \$955,726. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 97,121	\$ 322,867
Changes in assumption	6,509	730,841
Net difference between projected and actual earnings on pension plan investments	-	1,137,432
Employer contributions subsequent to the measurement date	<u>777,781</u>	-
TOTAL	<u>\$ 881,411</u>	<u>\$ 2,191,140</u>

\$777,781 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2019	\$ (519,800)
2020	(495,994)
2021	(574,242)
2022	(497,474)
2023	-
Thereafter	<u>-</u>
TOTAL	<u>\$ (2,087,510)</u>

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the District calculated using the discount rate of 7.50% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 6,169,618	\$ 2,184,432	\$ (1,126,120)

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the District provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Benefits Provided

The District provides postemployment health care and life insurance benefits to its retirees. To be eligible for implicit benefits, an employee must qualify for retirement under the District's retirement plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. The retirees pay 100% of the blended premium. Certain benefits are controlled by state laws and can only be changed by the Illinois Legislature. The plan does not issue a separate report. The activity of the plan is reported in the District's governmental activities. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

a. Membership

At December 31, 2018, membership consisted of:

Retirees and beneficiaries currently receiving benefits	2
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>74</u>
 TOTAL	 <u>76</u>
 Participating employers	 <u>1</u>

b. Total OPEB Liability

The District's total OPEB liability of \$643,302 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018.

c. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2018, as determined by an actuarial valuation as of January 1, 2018 actuarial valuation, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2018, including updating the discount rate at December 31, 2018, as noted below.

Actuarial cost method	Entry-age
Actuarial value of assets	Not applicable
Inflation	2.50%
Salary increases	2.50%
Discount rate	4.10%
Healthcare cost trend rates	7.10% to 5.00% initial and ultimate

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2018. The discount rate at December 31, 2018 was 4.10%.

IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. Spouse Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates.

The actuarial assumptions used in the December 31, 2018 valuation are based on 30% participation assumed, with 50% electing spouse coverage.

d. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2018	<u>\$ 685,090</u>
Changes for the period	
Service cost	12,965
Interest	22,746
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	(28,720)
Benefit payments	<u>(48,779)</u>
Net changes	<u>(41,788)</u>
BALANCES AT DECEMBER 31, 2018	<u>\$ 643,302</u>

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 4.10% as well as what the District total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 688,390	\$ 643,302	\$ 604,393

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 7.10% to 5.00% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.10% to 4.00%) or 1 percentage point higher (8.10% to 6.00%) than the current rate:

	1% Decrease (6.10% to 4.00%)	Current Healthcare Rate (7.10% to 5.00%)	1% Increase (8.10% to 6.00%)
Total OPEB liability	\$ 592,979	\$ 643,302	\$ 701,109

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

- f. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the District recognized OPEB expense of \$33,797. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	<u>26,806</u>
TOTAL	<u>\$ -</u>	<u>\$ 26,806</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending April 30,</u>	
2019	\$ (1,914)
2020	(1,914)
2021	(1,914)
2022	(1,914)
2023	(1,914)
Thereafter	<u>(17,236)</u>
TOTAL	<u>\$ (26,806)</u>

PALATINE PARK DISTRICT
PALATINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. CHANGE IN ACCOUNTING PRINCIPAL

In 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. With the implementation, the District is required to retroactively record the total other postemployment benefit liability and write-off the net other postemployment benefit obligation.

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in accounting principle	
To record the total OPEB liability	<u>\$ (685,090)</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	 <u><u>\$ (685,090)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2018

	Original and Final Budget	Original and Final Appropriations	Actual
REVENUES			
Taxes	\$ 8,095,531	\$ 8,095,531	\$ 8,187,691
Charges for services	147,345	147,345	-
Investment income	40,673	40,673	226,329
Donations	-	-	1,855
Miscellaneous	50,316	50,316	118,663
	<hr/>		
Total revenues	8,333,865	8,333,865	8,534,538
<hr/>			
EXPENDITURES			
Current			
General government	8,321,199	9,153,319	7,643,891
Capital outlay	71,000	78,100	81,786
Debt service			
Principal retirement	945,133	1,039,646	410,000
Interest and fiscal charges	-	-	219,663
Bond issuance costs	-	-	367
	<hr/>		
Total expenditures	9,337,332	10,271,065	8,355,707
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,003,467)	(1,937,200)	178,831
<hr/>			
OTHER FINANCING SOURCES (USES)			
Transfers in	749,400	749,400	741,000
	<hr/>		
Total other financing sources (uses)	749,400	749,400	741,000
<hr/>			
NET CHANGE IN FUND BALANCE	\$ (254,067)	\$ (1,187,800)	919,831
<hr/>			
FUND BALANCE, JANUARY 1			8,688,598
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 9,608,429
			<hr/>

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION FUND**

For the Year Ended December 31, 2018

	Original and Final Budget	Original and Final Appropriations	Actual
REVENUES			
Taxes	\$ 4,011,511	\$ 4,011,511	\$ 3,650,395
Charges for services	8,037,455	8,037,455	7,967,721
Donations	253,440	253,440	11,160
Miscellaneous	519,524	519,524	77,647
Total revenues	<u>12,821,930</u>	<u>12,821,930</u>	<u>11,706,923</u>
EXPENDITURES			
Culture and recreation	11,257,559	12,383,315	10,316,194
Capital outlay	174,516	191,968	82,405
Total expenditures	<u>11,432,075</u>	<u>12,575,283</u>	<u>10,398,599</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,389,855</u>	<u>246,647</u>	<u>1,308,324</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(1,152,164)</u>	<u>(1,267,380)</u>	<u>(1,000,000)</u>
Total other financing sources (uses)	<u>(1,152,164)</u>	<u>(1,267,380)</u>	<u>(1,000,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 237,691</u>	<u>\$ (1,020,733)</u>	308,324
FUND BALANCE, JANUARY 1			<u>6,519,032</u>
FUND BALANCE, DECEMBER 31			<u>\$ 6,827,356</u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018
Actuarially determined contribution	\$ 704,562	\$ 757,493	\$ 727,677	\$ 725,362
Contributions in relation to the actuarially determined contribution	<u>704,561</u>	<u>757,493</u>	<u>727,676</u>	<u>725,362</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,587,325	\$ 5,682,615	\$ 5,676,104	\$ 5,821,527
Contributions as a percentage of covered-employee payroll	12.61%	13.33%	12.82%	12.46%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015*	2016	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 632,502	\$ 603,528	\$ 612,893	\$ 594,566
Interest	1,943,627	2,157,573	2,290,534	2,361,792
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	284,944	151,888	(752,695)	100,340
Changes of assumptions	1,104,414	37,583	(113,753)	(966,365)
Benefit payments, including refunds of member contributions	(950,531)	(1,092,407)	(1,180,992)	(1,219,742)
Net change in total pension liability	3,014,956	1,858,165	855,987	870,591
Total pension liability - beginning	26,074,038	29,088,994	30,947,159	31,803,146
TOTAL PENSION LIABILITY - ENDING	\$ 29,088,994	\$ 30,947,159	\$ 31,803,146	\$ 32,673,737
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 651,736	\$ 704,561	\$ 757,493	\$ 727,676
Contributions - member	280,266	257,971	259,574	268,266
Net investment income	1,471,575	126,918	1,766,840	4,465,008
Benefit payments, including refunds of member contributions	(950,531)	(1,092,407)	(1,180,992)	(1,219,742)
Other	(137,962)	40,277	(376,167)	(464,507)
Net change in plan fiduciary net position	1,315,084	37,320	1,226,748	3,776,701
Plan net position - beginning	24,133,452	25,448,536	25,485,856	26,712,604
PLAN NET POSITION - ENDING	\$ 25,448,536	\$ 25,485,856	\$ 26,712,604	\$ 30,489,305
EMPLOYER'S NET PENSION LIABILITY	\$ 3,640,458	\$ 5,461,303	\$ 5,090,542	\$ 2,184,432
Plan fiduciary net position as a percentage of the total pension liability	87.49%	82.35%	83.99%	93.31%
Covered payroll	\$ 5,325,582	\$ 5,587,325	\$ 5,682,615	\$ 5,676,104
Employer's net pension liability as a percentage of covered payroll	68.36%	97.74%	89.58%	38.48%

*The District elected to report information from the prior year actuarial valuation.

The discount rate assumption was 7.47% in 2014 and 2015, and 7.50% in 2016 and 2017.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Fiscal Year

MEASUREMENT DATE DECEMBER 31,	2018
TOTAL OPEB LIABILITY	
Service cost	\$ 12,965
Interest	22,746
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(28,720)
Benefit payments	<u>(48,779)</u>
Net change in total OPEB liability	(41,788)
Total OPEB liability - beginning	<u>685,090</u>
TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 643,302</u></u>
Covered payroll	\$ 4,609,795
Employer's total OPEB liability as a percentage of covered payroll	13.96%

Notes to Required Supplementary Information

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

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects and Enterprise Funds.

The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget.

The budget may be amended by the governing body. The original and final operating budget is presented in these financial statements.

Expenditures may not legally exceed budgeted appropriations at the fund level.

The Bond and Interest Fund's actual expenditures exceeded the final appropriation by \$211,345.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF REVENUES
GENERAL FUND**

For the Year Ended December 31, 2018

	<u>General</u>
TAXES	
Property taxes	\$ 8,039,230
Replacement taxes	<u>148,461</u>
Total taxes	<u>8,187,691</u>
INVESTMENT INCOME	<u>226,329</u>
DONATIONS	<u>1,855</u>
MISCELLANEOUS	
Other	<u>118,663</u>
TOTAL REVENUES	<u><u>\$ 8,534,538</u></u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF EXPENDITURES
GENERAL FUND**

For the Year Ended December 31, 2018

	<u>General</u>
GENERAL GOVERNMENT	
Current	
Personnel services	\$ 4,416,671
Supplies and commodities	448,348
Contractual services	1,487,866
Repairs and maintenance	88,634
Insurance	<u>1,202,372</u>
Total general government	<u>7,643,891</u>
Capital outlay	
Capital improvements	<u>81,786</u>
Total capital outlay	<u>81,786</u>
Debt service	
Principal retirement	410,000
Interest and fiscal charges	219,663
Bond issuance costs	<u>367</u>
Total debt service	<u>630,030</u>
TOTAL EXPENDITURES	<u><u>\$ 8,355,707</u></u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF REVENUES
RECREATION FUND**

For the Year Ended December 31, 2018

	<u>Recreation</u>
TAXES	
Property taxes	\$ 3,650,395
Total taxes	<u>3,650,395</u>
CHARGES FOR SERVICES	
Registrations and lesson fees	5,619,412
Daily fees and ticket sales	334,552
Golf fees and admissions	613,513
Other program revenues	1,107,516
Rentals	280,486
Concession sales	7,053
Special events	5,189
Total charges for services	<u>7,967,721</u>
INVESTMENT INCOME	<u>-</u>
DONATIONS	<u>11,160</u>
MISCELLANEOUS	
Other	<u>77,647</u>
Total miscellaneous	<u>77,647</u>
TOTAL REVENUES	<u><u>\$ 11,706,923</u></u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF EXPENDITURES
RECREATION FUND**

For the Year Ended December 31, 2018

	<u>Recreation</u>
CULTURE AND RECREATION	
Current	
Personnel services	\$ 5,985,355
Supplies and commodities	1,025,758
Contractual services	2,790,622
Medical insurance	<u>514,459</u>
Total culture and recreation	<u>10,316,194</u>
Capital outlay	
Capital improvements	<u>82,405</u>
Total capital outlay	<u>82,405</u>
TOTAL EXPENDITURES	<u><u>\$ 10,398,599</u></u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ACQUISITION AND IMPROVEMENT FUND**

For the Year Ended December 31, 2018

	<u>Original and Final Budget</u>	<u>Original and Final Appropriations</u>	<u>Actual</u>
REVENUES			
Intergovernmental			
TIF surplus from Village	\$ 58,000	\$ 58,000	\$ 132,218
Investment income	-	-	91,456
Other income	152,883	152,883	247,169
	<hr/>		
Total revenues	210,883	210,883	470,843
	<hr/>		
EXPENDITURES			
Current			
Culture and recreation			
Capital outlay	7,820,878	8,602,966	7,671,636
	<hr/>		
Total expenditures	7,820,878	8,602,966	7,671,636
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,609,995)	(8,392,083)	(7,200,793)
	<hr/>		
OTHER FINANCING SOURCE (USES)			
Transfers in	1,155,915	1,155,915	1,095,915
	<hr/>		
Total other financing sources (uses)	1,155,915	1,155,915	1,095,915
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (6,454,080)</u>	<u>\$ (7,236,168)</u>	(6,104,878)
FUND BALANCE, JANUARY 1			<u>8,307,846</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 2,202,968</u></u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BOND AND INTEREST FUND**

For the Year Ended December 31, 2018

	Original and Final Budget	Original and Final Appropriations	Actual
REVENUES			
Taxes			
Property	\$ 1,917,912	\$ 1,917,912	\$ 1,938,351
Total revenues	1,917,912	1,917,912	1,938,351
EXPENDITURES			
Debt service			
Principal retirement	950,000	1,045,000	950,000
Interest and fiscal charges	218,512	240,363	537,012
Issuance costs	-	-	9,696
Total expenditures	1,168,512	1,285,363	1,496,708
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	749,400	632,549	441,643
OTHER FINANCING SOURCE (USES)			
Transfers (out)	(749,400)	(824,340)	(741,000)
Total other financing sources (uses)	(749,400)	(824,340)	(741,000)
NET CHANGE IN FUND BALANCE	\$ -	\$ (191,791)	(299,357)
FUND BALANCE, JANUARY 1			792,699
FUND BALANCE, DECEMBER 31			\$ 493,342

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUND

SPECIAL REVENUE FUND

Special revenue funds are established to account for the proceeds of specific revenue sources (other than special assessments or for major capital projects) that are legally restricted or committed to expenditure for specified purposes.

Special Recreation Fund - This fund primarily pays for the District's membership in the NWSRA, other programs that target specific populations and facilities that also target specific populations. Financing is provided by a specific restricted annual property tax levy.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL RECREATION FUND**

For the Year Ended December 31, 2018

	Original and Final Budget	Original and Final Appropriations	Actual
REVENUES			
Taxes			
Property taxes	\$ 799,668	\$ 799,668	\$ 808,945
Total revenues	<u>799,668</u>	<u>799,668</u>	<u>808,945</u>
EXPENDITURES			
Current			
Culture and recreation			
Contractual services	484,102	532,512	484,296
Total expenditures	<u>484,102</u>	<u>532,512</u>	<u>484,296</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>315,566</u>	<u>267,156</u>	<u>324,649</u>
OTHER FINANCING SOURCE (USES)			
Transfers (out)	<u>(155,915)</u>	<u>(171,507)</u>	<u>(95,915)</u>
Total other financing sources (uses)	<u>(155,915)</u>	<u>(171,507)</u>	<u>(95,915)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 159,651</u>	<u>\$ 95,649</u>	228,734
FUND BALANCE, JANUARY 1			<u>665,777</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 894,511</u></u>

(See independent auditor's report.)

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have been changed over time.	53-62
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	63-67
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	68-71
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.	72-73
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.	74-76

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 37,600,627	\$ 39,539,037	\$ 41,976,563	\$ 46,107,767
Restricted	-	-	-	1,565,281
Unrestricted	28,725,661	30,139,805	32,005,273	28,580,222
TOTAL GOVERNMENTAL ACTIVITIES	\$ 66,326,288	\$ 69,678,842	\$ 73,981,836	\$ 76,253,270
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 2,575,463	\$ 2,627,428	\$ 2,634,844	\$ 2,807,118
Restricted	-	-	-	-
Unrestricted	(371,584)	(612,258)	(1,069,597)	(1,441,936)
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 2,203,879	\$ 2,015,170	\$ 1,565,247	\$ 1,365,182
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 40,176,090	\$ 42,166,465	\$ 44,611,407	\$ 48,914,885
Restricted	-	-	-	1,565,281
Unrestricted	28,354,077	29,527,547	30,935,676	27,138,286
TOTAL PRIMARY GOVERNMENT	\$ 68,530,167	\$ 71,694,012	\$ 75,547,083	\$ 77,618,452

*Includes prior period adjustment to reverse recognition of unearned property taxes as revenue in the government-wide financial statements.

The District closed its enterprise funds to the Recreation Fund as of January 1, 2015.

Data Source

Audited Financial Statements

2013	2014	2015*	2016	2017	2018
\$ 46,740,117	\$ 47,260,725	\$ 52,462,909	\$ 54,283,777	\$ 60,935,864	\$ 52,666,687
1,470,558	1,447,791	1,963,486	3,864,641	4,151,160	6,837,787
30,842,969	16,817,140	13,809,478	13,027,148	3,084,860	3,244,692
\$ 79,053,644	\$ 65,525,656	\$ 68,235,873	\$ 71,175,566	\$ 68,171,884	\$ 62,749,166
\$ 2,750,817	\$ 3,171,415	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
(1,739,480)	(1,801,948)	-	-	-	-
\$ 1,011,337	\$ 1,369,467	\$ -	\$ -	\$ -	\$ -
\$ 49,490,934	\$ 50,432,140	\$ 52,462,909	\$ 54,283,777	\$ 60,935,864	\$ 52,666,687
1,470,558	1,447,791	1,963,486	3,864,641	4,151,160	6,837,787
29,103,489	15,015,192	13,809,478	13,027,148	3,084,860	3,244,692
\$ 80,064,981	\$ 66,895,123	\$ 68,235,873	\$ 71,175,566	\$ 68,171,884	\$ 62,749,166

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
EXPENSES				
Governmental activities				
General government	\$ 8,109,201	\$ 8,641,537	\$ 8,688,384	\$ 8,609,852
Culture and recreation	7,802,379	7,859,340	8,511,283	8,611,089
Interest and fiscal charges	1,097,659	1,492,495	938,045	929,016
Unfunded pension obligation	-	-	-	-
Total governmental activities expenses	17,009,239	17,993,372	18,137,712	18,149,957
Business-type activities				
Stables	859,192	744,533	736,108	692,366
Palatine Hills Golf Course	1,414,018	1,374,366	1,296,558	1,369,552
Total business-type activities expenses	2,273,210	2,118,899	2,032,666	2,061,918
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 19,282,449	\$ 20,112,271	\$ 20,170,378	\$ 20,211,875
PROGRAM REVENUES				
Governmental activities				
Charges for services				
Culture and recreation	\$ 5,492,537	\$ 6,708,699	\$ 6,506,634	\$ 6,361,627
Operating grants	1,364	1,716	1,492	4,359
Capital grants and donations				
Culture and recreation	-	-	1,500,000	24,000
Total governmental activities program revenues	5,493,901	6,710,415	8,008,126	6,389,986
Business-type activities				
Charges for services - Palatine Hills Golf Course	1,145,207	1,155,917	1,057,668	1,175,035
Charges for services - Stables	719,927	691,355	602,732	764,953
Total business-type activities program revenues	1,865,134	1,847,272	1,660,400	1,939,988
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 7,359,035	\$ 8,557,687	\$ 9,668,526	\$ 8,329,974

	2013	2014	2015	2016	2017	2018
\$	8,762,685	\$ 7,820,413	\$ 6,658,485	\$ 7,498,688	\$ 9,500,848	\$ 8,459,833
	8,615,377	9,451,670	12,235,718	13,228,014	14,912,921	18,812,094
	822,594	761,354	369,888	497,446	896,438	790,548
	-	-	-	-	-	-
	18,200,656	18,033,437	19,264,091	21,224,148	25,310,207	28,062,475
	722,976	556,434	-	-	-	-
	1,339,726	1,111,248	-	-	-	-
	2,062,702	1,667,682	-	-	-	-
\$	20,263,358	\$ 19,701,119	\$ 19,264,091	\$ 21,224,148	\$ 25,310,207	\$ 28,062,475
\$	6,697,103	\$ 5,336,345	\$ 7,489,710	\$ 7,649,088	\$ 7,644,765	\$ 7,967,721
	5,210	13,446	-	-	7,967,721	-
	-	-	68,124	-	-	-
	6,702,313	5,349,791	7,557,834	7,649,088	15,612,486	7,967,721
	1,143,252	1,112,582	-	-	-	-
	649,788	639,607	-	-	-	-
	1,793,040	1,752,189	-	-	-	-
\$	8,495,353	\$ 7,101,980	\$ 7,557,834	\$ 7,649,088	\$ 15,612,486	\$ 7,967,721

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
NET REVENUE (EXPENSE)				
Governmental activities	\$ (11,515,338)	\$ (11,282,957)	\$ (10,129,586)	\$ (11,759,971)
Business-type activities	(408,076)	(271,627)	(372,266)	(121,930)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (11,923,414)	\$ (11,554,584)	\$ (10,501,852)	\$ (11,881,901)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 12,338,625	\$ 12,524,102	\$ 12,829,150	\$ 12,719,316
Replacement	149,449	161,140	141,998	142,259
Other	-	186,249	238,736	219,165
Intergovernmental - unrestricted	-	-	-	-
Investment income	530,597	166,384	75,269	49,220
Miscellaneous	896,518	820,931	1,068,427	822,445
Gain (loss) on disposal of capital assets	-	-	-	-
Transfers	79,000	79,010	79,000	79,000
Total governmental activities	13,994,189	13,937,816	14,432,580	14,031,405
Business-type activities				
Investment income	8,242	1,713	1,343	865
Miscellaneous	15,336	-	-	-
Transfers	(79,000)	(79,010)	(79,000)	(79,000)
Total business-type activities	(55,422)	(77,297)	(77,657)	(78,135)
TOTAL PRIMARY GOVERNMENT	\$ 13,938,767	\$ 13,860,519	\$ 14,354,923	\$ 13,953,270
CHANGE IN NET POSITION				
Governmental activities	\$ 2,478,851	\$ 2,654,859	\$ 4,302,994	\$ 2,271,434
Business-type activities	(463,498)	(348,924)	(449,923)	(200,065)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 2,015,353	\$ 2,305,935	\$ 3,853,071	\$ 2,071,369

Data Source

Audited Financial Statements

2013	2014	2015	2016	2017	2018
\$ (11,498,343)	\$ (12,683,646)	\$ (11,706,257)	\$ (13,575,080)	\$ (9,697,721)	\$ (20,094,754)
(269,662)	84,507	-	-	-	-
<u>\$ (11,768,005)</u>	<u>\$ (12,599,139)</u>	<u>\$ (11,706,257)</u>	<u>\$ (13,575,080)</u>	<u>\$ (9,697,721)</u>	<u>\$ (20,094,754)</u>
\$ 12,673,433	\$ 13,174,627	\$ 13,472,658	\$ 13,782,432	\$ 14,153,383	\$ 14,436,921
157,706	162,340	153,147	153,339	198,571	148,461
130,313	-	-	-	-	-
-	-	-	48,871	52,100	132,218
54,438	(218,258)	68,355	158,852	230,015	317,785
713,190	(565,270)	1,308,644	969,899	331,412	321,741
-	-	-	-	-	-
84,446	(277,048)	1,210,034	-	-	-
<u>13,813,526</u>	<u>12,405,115</u>	<u>16,212,838</u>	<u>15,113,393</u>	<u>14,965,481</u>	<u>15,357,126</u>
263	382	-	-	-	-
-	17,616	-	-	-	-
(84,446)	318,280	(1,210,034)	-	-	-
<u>(84,183)</u>	<u>336,278</u>	<u>(1,210,034)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 13,729,343</u>	<u>\$ 12,741,393</u>	<u>\$ 15,002,804</u>	<u>\$ 15,113,393</u>	<u>\$ 14,965,481</u>	<u>\$ 15,357,126</u>
\$ 2,315,183	\$ (278,531)	\$ 4,506,581	\$ 1,538,313	\$ 5,267,760	\$ (4,737,628)
(353,845)	420,785	(1,210,034)	-	-	-
<u>\$ 1,961,338</u>	<u>\$ 142,254</u>	<u>\$ 3,296,547</u>	<u>\$ 1,538,313</u>	<u>\$ 5,267,760</u>	<u>\$ (4,737,628)</u>

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
GENERAL FUND				
Unreserved	\$ 10,743,057	\$ 11,443,558	\$ -	\$ -
Nonspendable				
Advances	-	-	-	-
Prepaid items	-	-	88,661	59,401
Restricted	-	-	-	-
Unassigned	-	-	10,978,567	8,603,784
TOTAL GENERAL FUND	\$ 10,743,057	\$ 11,443,558	\$ 11,067,228	\$ 8,663,185
ALL OTHER GOVERNMENTAL FUNDS				
Unreserved, reported in				
Recreation Fund	\$ 4,130,317	\$ 4,774,908	\$ -	\$ -
Other Special Revenue Funds	1,350,304	1,292,522	-	-
Debt Service Fund	113,761	174,003	-	-
Capital Project Fund	87,425	75,991	-	-
Permanent Fund	175,721	175,721	-	-
Nonspendable				
Working cash	-	-	175,721	175,721
Inventory	-	-	-	-
Prepaid	-	-	-	-
Restricted				
Employee retirement	-	-	451,346	470,996
Audit	-	-	13,095	14,189
Museum	-	-	44,324	44,857
Special recreation	-	-	197,193	151,242
Debt service	-	-	197,851	226,994
Capital projects	-	-	-	-
Liability insurance	-	-	472,290	449,536
Assigned				
Recreation programs	-	-	5,508,684	5,826,138
Capital projects	-	-	64,099	64,220
Unassigned				
Special revenue	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 399,443	\$ 6,493,145	\$ 7,124,603	\$ 7,423,893
TOTAL ALL GOVERNMENTAL FUNDS	\$ 11,142,500	\$ 17,936,703	\$ 18,191,831	\$ 16,087,078

Note: GASB Statement No. 54 was implemented as of the year ended December 31, 2011.

Data Source

Audited Financial Statements

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	29,848	-	-	-	-
29,848	44,244	141,888	150,112	151,578	195,261
-	-	1,421,561	2,656,694	2,656,694	5,348,446
9,673,445	9,192,963	6,230,125	5,101,343	5,880,326	4,064,722
<u>\$ 9,703,293</u>	<u>\$ 9,267,055</u>	<u>\$ 7,793,574</u>	<u>\$ 7,908,149</u>	<u>\$ 8,688,598</u>	<u>\$ 9,608,429</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
175,721	175,721	-	-	-	-
-	-	-	6,117	6,030	7,971
-	-	4,321	-	20,717	24,767
477,877	516,143	-	-	-	-
13,918	13,919	-	-	-	-
41,363	35,785	11,797	35,990	35,990	101,488
173,541	265,261	309,347	379,259	665,777	894,511
230,391	207,795	220,781	792,698	792,699	493,342
-	-	-	-	-	-
411,930	408,888	-	-	-	-
6,505,603	7,328,638	4,011,220	4,719,787	6,456,295	6,693,130
64,319	62,318	5,637,160	4,575,341	8,307,846	2,202,968
-	(213,829)	-	-	-	-
<u>\$ 8,094,663</u>	<u>\$ 8,758,377</u>	<u>\$ 10,194,626</u>	<u>\$ 10,509,192</u>	<u>\$ 16,285,354</u>	<u>\$ 10,418,177</u>
<u>\$ 17,797,956</u>	<u>\$ 18,025,432</u>	<u>\$ 17,988,200</u>	<u>\$ 18,417,341</u>	<u>\$ 24,973,952</u>	<u>\$ 20,026,606</u>

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012
REVENUES				
Taxes	\$ 11,649,959	\$ 12,522,352	\$ 12,742,807	\$ 12,787,747
Charges for services	4,288,278	4,953,809	5,243,845	4,891,805
Intergovernmental	-	-	-	-
Investment income	529,712	166,061	75,169	49,163
Donations and grants	1,364	1,716	4,214	9,803
Miscellaneous	896,518	830,912	1,449,223	914,868
Total revenues	17,365,831	18,474,850	19,515,258	18,653,386
EXPENDITURES				
General government	7,799,028	7,855,438	8,156,214	8,402,736
Culture and recreation	5,099,467	5,529,241	6,042,612	5,737,524
Capital outlay	10,012,260	2,166,892	6,222,336	4,786,777
Debt service				
Principal	1,296,500	1,351,500	1,645,000	1,432,000
Interest	823,437	911,171	912,970	885,207
Bond issuance costs	-	-	-	72,450
Total expenditures	25,030,692	17,814,242	22,979,132	21,316,694
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,664,861)	660,608	(3,463,874)	(2,663,308)
OTHER FINANCING SOURCES (USES)				
Bonds issued	591,500	596,500	3,640,000	387,000
Refunding bonds issued	-	-	-	3,835,000
Payment to refunded bond escrow	-	-	-	(4,016,000)
Premium on bonds	-	-	-	255,053
Transfers in	1,026,525	996,760	934,525	913,525
Transfers (out)	(947,525)	(917,750)	(855,525)	(834,525)
Prior period adjustment	-	-	-	-
Total other financing sources (uses)	670,500	675,510	3,719,000	540,053
NET CHANGE IN FUND BALANCES	\$ (6,994,361)	\$ 1,336,118	\$ 255,126	\$ (2,123,255)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.25%	14.55%	12.53%	12.24%

Data Source

Audited Financial Statements

	2013	2014	2015	2016	2017	2018
\$	12,936,055	\$ 13,349,747	\$ 13,625,805	\$ 13,935,771	\$ 14,351,954	\$ 14,585,382
	5,482,631	5,336,345	7,489,710	7,649,088	7,644,765	7,967,721
	-	142,170	278,249	48,871	52,100	132,218
	31,441	59,074	68,355	158,852	230,015	317,785
	18,766	17,398	439,091	167,891	16,718	13,015
	835,862	894,852	1,054,990	945,552	465,145	443,479
	19,304,755	19,799,586	22,956,200	22,906,025	22,760,697	23,459,600
	7,959,871	7,530,986	6,365,098	6,621,142	7,267,025	7,643,891
	5,915,404	7,269,344	10,451,643	10,884,555	10,200,668	10,800,490
	1,906,834	2,534,086	3,057,789	3,159,482	5,746,216	7,835,827
	1,487,000	1,522,000	2,146,000	1,315,000	1,320,000	1,360,000
	824,502	785,270	452,302	491,902	672,431	756,675
	3,200	2,100	180,339	4,803	179,689	10,063
	18,096,811	19,643,786	22,653,171	22,476,884	25,386,029	28,406,946
	1,207,944	155,800	303,029	429,141	(2,625,332)	(4,947,346)
	437,000	437,000	-	-	8,820,000	-
	-	-	12,736,000	-	-	-
	-	-	(12,292,572)	-	-	-
	-	-	482,911	-	-	-
	1,060,096	1,037,501	8,000,000	1,000,000	361,943	1,836,915
	(975,650)	(1,355,781)	(9,891,961)	(1,000,000)	-	(1,836,915)
	-	1,430,466	-	-	-	-
	521,446	1,549,186	(965,622)	-	9,181,943	-
\$	1,729,390	\$ 1,704,986	\$ (662,593)	\$ 429,141	\$ 6,556,611	\$ (4,947,346)
	14.65%	13.31%	12.91%	9.16%	8.58%	7.92%

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Percent Of Assessed Value
2008	\$ 2,072,046,416	\$ 108,622	\$ 584,387,991	\$ 226,797,619	\$ 862,187	\$ 2,884,202,835	\$ 0.4185	\$ 8,652,608,505	33.333%
2009	2,260,933,129	67,771	525,467,515	201,592,110	1,038,059	2,989,098,584	0.4078	8,967,295,752	33.333%
2010	2,019,366,886	67,771	474,051,248	192,420,558	1,297,420	2,687,203,883	0.4675	8,061,611,649	33.333%
2011	1,860,974,321	68,957	399,931,069	172,471,167	1,378,528	2,434,824,042	0.5164	7,304,472,126	33.333%
2012	1,725,669,045	68,957	377,934,133	157,286,406	1,559,216	2,262,517,757	0.5733	6,787,553,271	33.333%
2013	1,464,854,826	67,771	348,365,837	143,412,993	1,925,753	1,958,627,180	0.6795	5,875,881,540	33.333%
2014	1,557,510,142	81,343	329,548,273	74,379,246	1,988,857	1,963,507,861	0.6960	5,890,523,583	33.333%
2015	1,532,184,548	59,646	324,973,700	70,249,308	2,410,632	1,929,877,834	0.7250	5,789,633,502	33.333%
2016	1,779,943,615	92,960	195,146,396	266,287,544	2,452,774	2,243,923,289	0.6480	6,731,769,867	33.333%
2017	1,838,237,061	44,188	322,563,375	79,275,446	2,502,402	2,242,622,472	0.6568	6,727,867,416	33.333%

Note: Property in the District is reassessed every three years. Property is assessed at 33% of actual value. Total direct tax rate is the Cook County rate. 2017 not yet available.

Data Source

Office of the County Clerk

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES AND EXTENSIONS

Last Ten Levy Years

Tax Levy Year	2017		2016		2015		2014		2013	
	Total		Total		Total		Total		Total	
ASSESSED VALUATIONS	\$ 2,242,622,472		\$ 2,243,923,289		\$ 1,929,877,834		\$ 1,963,507,861		\$ 1,958,627,179	
TAX EXTENSIONS	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
General Fund	0.2763	\$ 6,195,814	0.2600	\$ 5,663,795	0.2830	\$ 5,461,712	0.2624	\$ 5,201,239	0.3500	\$ 4,658,433
Liability Insurance Fund	0.0233	521,457	0.0219	476,681	0.0238	459,673	0.0221	437,750	0.0184	244,900
Audit Fund	0.0011	24,539	0.0010	22,432	0.0011	21,632	0.0010	20,600	0.0007	9,317
Recreation Fund	0.1627	3,649,497	0.1701	4,336,918	0.2167	4,182,176	0.2202	4,364,334	0.1314	1,748,909
Museum Fund	0.0035	78,687	0.0033	71,930	0.0036	69,364	0.0033	66,056	0.0055	73,204
Special Recreation Fund	0.0367	823,658	0.0346	796,995	0.0400	771,951	0.0290	575,712	0.0308	409,942
Bond and Interest Fund	0.0881	1,975,338	0.0950	2,019,502	0.0893	1,724,370	0.0961	1,905,717	0.0818	1,088,742
Retirement Fund	0.0651	1,460,324	0.0613	1,334,929	0.0667	1,287,299	0.0618	1,225,907	0.0609	810,567
TOTAL TAX EXTENSIONS	0.6568	\$ 14,729,314	0.6472	\$ 14,723,182	0.7242	\$ 13,978,177	0.6959	\$ 13,797,315	0.6795	\$ 13,309,809
COLLECTIONS	\$ 14,532,294		\$ 14,239,332		\$ 13,864,481		\$ 13,584,404		\$ 13,036,338	
PERCENT	99%		97%		99%		98%		98%	
Tax Levy Year	2012		2011		2010		2009		2008	
	Total		Total		Total		Total		Total	
ASSESSED VALUATIONS	\$ 2,262,517,757		\$ 2,434,824,042		\$ 2,687,203,683		\$ 2,989,098,584		\$ 2,884,202,835	
TAX EXTENSIONS	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
General Fund	0.3068	\$ 6,941,404	0.2705	\$ 6,586,199	0.2396	\$ 6,438,540	0.2091	\$ 6,250,205	0.2135	\$ 6,157,773
Liability Insurance Fund	0.0113	255,664	0.0105	255,656	0.0112	300,966	0.0100	298,909	0.0121	348,988
Audit Fund	0.0006	13,575	0.0006	14,608	0.0005	13,436	0.0006	17,934	0.0004	11,536
Recreation Fund	0.1054	2,384,683	0.0975	2,373,953	0.0887	2,383,549	0.0784	2,343,453	0.0810	2,336,204
Museum Fund	0.0047	106,338	0.0044	107,132	0.0039	104,800	0.0035	104,618	0.0036	103,831
Special Recreation Fund	0.0244	551,050	0.0216	524,899	0.0186	501,147	0.0158	472,049	0.0143	412,000
Bond and Interest Fund	0.0686	1,551,962	0.0638	1,553,172	0.0657	1,766,112	0.0575	1,719,826	0.0596	1,718,062
Retirement Fund	0.0515	1,165,196	0.0475	1,156,540	0.0393	1,056,070	0.0329	983,412	0.0340	980,628
TOTAL TAX EXTENSIONS	0.5733	\$ 12,969,872	0.5164	\$ 12,572,159	0.4675	\$ 12,564,620	0.4078	\$ 12,190,406	0.4185	\$ 12,069,022
COLLECTIONS	\$ 12,914,388		\$ 12,460,414		\$ 12,388,326		\$ 11,872,112		\$ 11,351,621	
PERCENT	100%		99%		99%		97%		94%	

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$100 of assessed value)

Last Ten Levy Years

Jurisdiction	2008	2009	2010	2011	2012*	2013*	2014	2015	2016	2017
Park District	0.419	0.408	0.468	0.516	0.615	0.680	0.696	0.725	0.648	0.657
Cook County including Forest Preserve	0.466	0.443	0.474	0.520	0.594	0.629	0.637	0.655	0.596	0.558
Township	0.035	0.034	0.039	0.044	0.049	0.058	0.059	0.063	0.054	0.055
Palatine Road and Bridge Fund	0.063	0.061	0.100	0.079	0.082	0.092	0.090	0.092	0.079	0.078
Palatine TWP General Assistance	0.008	0.008	0.010	0.012	0.014	0.017	0.017	0.018	0.012	0.010
Metropolitan Water Reclamation District	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406	0.402
Library District	0.240	0.229	0.198	0.222	0.248	0.293	0.295	0.308	0.268	0.276
Schools (Districts #15, #211 and Harper College)	4.569	4.481	5.102	5.759	6.414	7.490	7.532	7.810	6.830	6.965
Village	0.914	0.882	1.022	1.121	1.200	1.390	1.368	1.406	1.212	1.249
All others	0.008	0.008	0.009	0.035	0.011	0.044	0.032	0.011	0.01	0.041
TOTAL TAX RATES	6.974	6.815	7.666	8.628	9.597	11.110	11.156	11.514	10.115	10.291

*Most recent data available.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Prior Year and Nine Years Ago

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation
F & F Realty, Ltd.	\$ 17,539,205	1	0.78%	\$ 7,960,469	2	0.35%
Wal Mart Prop Tax Dept.	13,703,000	2	0.61%	5,503,769	7	0.24%
Bourbon Square Apartments	12,737,779	3	0.57%			
Arlington Toyota	9,364,138	4	0.42%			
Regency Retail, LLC	9,301,343	5	0.41%			
Draper & Kramer Clays	8,894,085	6	0.40%			
Nare Management, LLC	7,950,023	7	0.35%			
United Parcel Service	7,106,243	8	0.32%			
Target	7,055,205	9	0.31%			
Weber Stephen Prod., LLC	6,953,312	10	0.31%			
Motorola				17,046,527	1	0.74%
Brookind Copr,				6,096,347	5	0.27%
PFC Marquette Company				7,838,038	3	0.34%
Mid America Asset Management				6,481,359	4	0.28%
Scott B. Retzloff & Associates				6,038,368	6	0.26%
Mass Mutual Life Insurance				5,399,985	8	0.24%
Village Park Palatine				4,702,819	9	0.20%
Kensington Advisors				4,599,871	10	0.20%
	<u>\$ 100,604,333</u>		<u>4.48%</u>	<u>\$ 71,667,552</u>		<u>3.12%</u>

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers hold multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source

Office of the County Clerk

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Amount	Amount	Percentage of Levy
2008	\$ 12,069,022	\$ 11,351,621	94.06%	\$ 554,683	\$ 11,906,304	98.65%	
2009	12,190,406	11,872,112	97.39%	202,282	12,074,394	99.05%	
2010	12,564,620	12,388,326	98.60%	130,747	12,519,073	99.64%	
2011	12,572,159	12,460,414	99.11%	36,901	12,497,315	99.40%	
2012	12,969,872	12,914,388	99.57%	3,704	12,918,092	99.60%	
2013	13,309,809	13,036,338	97.95%	259,424	13,295,762	99.89%	
2014	13,797,315	13,584,404	98.46%	191,542	13,775,946	99.85%	
2015	13,978,177	13,819,106	98.86%	8,490	13,827,596	98.92%	
2016	14,522,672	14,239,332	98.05%	113,996	14,353,328	98.83%	
2017	14,692,219	14,532,294	98.91%	-	14,532,294	98.91%	

Data Source

Office of the County Clerk

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	General Obligation Bonds	Total Primary Government	Percentage of Personal Income*	Per Capita*
2009	\$ 19,790,000	\$ 19,790,000	0.81%	\$ 248.37
2010	19,035,000	19,035,000	1.34%	360.80
2011	21,030,000	21,030,000	1.22%	328.57
2012	19,885,000	19,885,000	0.67%	239.58
2013	18,835,000	18,835,000	0.63%	226.93
2014	17,959,163	17,750,000	0.60%	213.86
2015	17,488,833	17,488,833	0.57%	203.49
2016	16,134,534	16,134,534	0.54%	194.39
2017	23,949,508	23,949,508	0.75%	288.55
2018	23,949,508	23,949,508	0.75%	288.55

*See the schedule of Demographic and Economic Information on page 72 for personal income and population data.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available In Debt Service Fund	Total	Percentage of Actual Taxable Value of Property*	Per Capita
2009	\$ 19,790,000	\$ 113,761	\$ 19,676,239	0.66%	\$ 246.94
2010	19,035,000	174,003	18,860,997	0.70%	335.48
2011	21,030,000	197,581	20,832,419	0.86%	317.38
2012	19,885,000	226,994	19,658,006	0.87%	236.84
2013	19,067,108	230,391	18,604,609	0.95%	224.15
2014	17,959,163	207,795	17,542,205	0.30%	211.35
2015	17,488,833	214,821	17,274,012	0.28%	200.91
2016	16,134,534	792,698	15,341,836	0.26%	184.46
2017	23,949,508	792,699	23,156,809	1.03%	279.00
2018	23,949,508	792,699	23,156,809	1.03%	279.00

*See the schedule of Assessed Value and Actual Value of Taxable Property on page 63 for property value data.

Note: Details of the District's outstanding debt can be found in the notes to financial statements.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2018

Governmental Unit	Gross Debt	Percentage of Debt Applicable to the District*	District Share of Debt
Palatine Park District (1)	\$ 23,949,508	100.000%	\$ 23,949,508
Cook County	2,950,121,750	1.740%	51,332,118
Cook County Forest Preserve	94,055,000	1.740%	1,636,557
Village of Schaumburg	296,715,000	3.180%	9,435,537
Metropolitan Water Reclamation District	2,541,627,000	1.710%	43,461,822
City of Rolling Meadows	9,528,568	17.120%	1,631,291
Village of Palatine SSA #5	5,365,000	100.000%	5,365,000
The Village of Palatine	65,515,000	95.220%	62,383,383
School District #220	20,255,000	0.400%	81,020
School District #15	34,771,203	62.930%	21,881,518
Arlington Heights	62,000,000	0.840%	520,800
Hoffman Estates	97,555,000	4.640%	4,526,552
Inverness	3,730,000	17.820%	664,686
Community College District #512	117,785,000	11.750%	13,839,738
	<u>6,299,023,521</u>		<u>216,760,022</u>
	<u>\$ 6,322,973,029</u>		<u>\$ 240,709,530</u>

*The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the government's boundaries and dividing it by the District's total taxable assessed value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

Data Sources

Cook County Clerk's Office, Lake County Clerk's Office or Local Government Entity

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total net debt applicable to limit	\$ 13,015,000	\$ 12,510,000	\$ 11,880,000	\$ 11,560,000	\$ 11,001,000	\$ 9,895,000	\$ 9,375,000	\$ 8,495,000	\$ 16,425,000	\$ 16,425,000
LEGAL DEBT MARGIN	\$ 69,905,832	\$ 73,426,584	\$ 58,121,191	\$ 58,441,191	\$ 58,857,471	\$ 56,310,531	\$ 47,075,851	\$ 47,955,851	\$ 48,087,795	\$ 48,087,795
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	18.62%	17.04%	20.44%	19.78%	18.69%	25.66%	19.91%	17.71%	34.16%	34.16%

Legal Debt Margin Calculation for fiscal year 2018

Assessed Value	\$ 2,243,923,289
Legal debt margin	<u>2.875%</u>
LEGAL DEBT LIMIT	<u>64,512,795</u>
Debt applicable to limit	
Park Bond Series of 2012A	2,230,000
Park Bond Series of 2015B	1,250,000
Park Bond Series of 2015D	4,125,000
Park Bond Series of 2017	<u>8,820,000</u>
Total debt	<u>16,425,000</u>
LEGAL DEBT MARGIN	<u>\$ 48,087,795</u>

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2009	79,680	\$ 2,443,068,480	\$ 30,661	8.40%
2010	83,000	2,982,605,000	35,935	8.50%
2011	83,000	2,982,605,000	35,935	7.90%
2012	83,000	2,982,605,000	35,935	7.20%
2013	83,000	2,982,605,000	35,935	7.10%
2014	83,000	2,982,605,000	35,935	5.60%
2015	83,000	2,982,605,000	35,935	5.60%
2016	83,000	2,982,605,000	35,935	4.40%
2017	83,000	3,172,343,000	38,221	4.10%
2018	83,000	3,172,343,000	38,221	4.10%

Data Sources

U.S. Census Bureau, Illinois Department of Employment Security

**PALATINE PARK DISTRICT
PALATINE , ILLINOIS**

PRINCIPAL EMPLOYERS

Last Year and Nine Years Ago

Employer	2018			2009		
	Rank	Number of Employees	% of Total District Population	Rank	Number of Employees	% of Total District Population
Northrop Grumman Corp.	1	1900	2.29%	NA		
Harper College	2	891	1.07%	1	816	1.02%
Arthur J Gallagher	3	825	0.99%			
Gallagher-Bassett Services	4	675	0.81%			
United Parcel Services	5	500	0.60%			
Kelso-Burnett Co.	6	500	0.60%			
Komatsu Forklift USA	7	400	0.48%			
Aurico Reports, LLC	7	350	0.42%			
Village of Palatine	7	300	0.36%			
Komatsu America Corp.	10	300	0.36%			
Allstate Insurance				2	750	0.94%
Little City Foundation				3	500	0.63%
DiMucci Construction Co.				4	350	0.44%
Schneider Electric				4	350	0.44%
Weber Stephen Products Co.				6	200	0.25%
The Intec Group				7	150	0.19%
Arlington Plating				7	150	0.19%
Brandt Industries				7	150	0.19%
Imperial Woodworking Co.				10	125	0.16%
Total Population			83,000			79,680

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL GOVERNMENT										
Administration	22	21	22	24	23	24	24	24	29	28
Parks	45	43	42	45	42	41	40	40	39	37
Recreation	109	118	120	121	114	118	124	124	129	132
Palatine Stables	13	11	12	11	10	10	10	10	10	10
Palatine Hills Golf Course	20	19	19	20	18	17	18	17	16	15
TOTAL GENERAL GOVERNMENT	209	212	215	221	207	210	216	215	223	222

Data Source

District finance office - Staff used a new method to record FTE by taking number of hours per area divided by 2,080.

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fitness Center Memberships*	1,402	1,465	1,319	1,280	1,185	1,186	1,203	1,476	1,218	1,004
Swimming Pool Visits	101,782	128,071	123,478	126,826	89,539	85,087	91,554	101,877	98,587	100,068
Pool Passes Sold	2,295	2,153	1,981	1,998	1,667	1,454	1,344	1,359	1,416	1,496
Golf Rounds Played	35,152	36,297	31,991	36,478	34,989	33,340	35,440	34,132	30,482	28,580
Camp Participants	1,648	1,716	1,699	1,763	1,690	1,627	1,576	3,243	3,263	3,276
Stables Lessons/Camp	564	541	397	391	446	442	481	601	704	714
Before and After School Care	430	408	409	402	411	512	665	664	630	635
Preschool Participants	186	169	158	181	232	214	137	139	140	136
Volunteers	N/A	N/A	N/A	N/A	N/A	N/A	208	250	560	750
Background Checks Run	N/A	N/A	N/A	N/A	N/A	N/A	204	612	560	720

N/A - Not Applicable

*First year of operations, not applicable in years prior.

Data Source

Various District departments

**PALATINE PARK DISTRICT
PALATINE, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PARKS AND FACILITIES										
Parks/Natural Areas										
Number	53	53	53	54	54	54	54	55	55	55
Acres	729.75	729.75	731.36	743.15	743.78	743.78	743.78	734.20	735.20	735.20
Facilities										
Play equipment	29	29	29	29	29	29	29	29	29	30
Swimming facilities	4	4	3	3	3	3	3	3	3	3
Recreation centers	3	3	3	3	3	3	3	3	3	3
Outdoor skating	1	1	2	2	2	2	2	2	2	2
18 hole golf course	1	1	1	1	1	1	1	1	1	1
Football fields	4	4	4	4	4	4	4	4	4	4
Ball diamonds	24	24	24	24	24	24	24	24	24	24
Soccer fields	23	24	24	24	24	24	24	24	24	24
Outdoor tennis courts	16	16	16	16	16	14	14	14	14	6
Picnic areas	27	27	27	27	27	27	27	27	27	27
Walking, jogging and bike trails	1	1	1	1	1	1	1	1	1	1
Volleyball courts	3	3	3	3	3	3	3	3	3	4
Basketball courts	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	3 full/ 3 half	3 full/ 3 half	3 full/ 3 half
Shelters	20	21	21	21	24	24	24	24	24	21
Stables	1	1	1	1	1	1	1	1	1	1
Theatres	1	1	1	1	1	1	1	1	1	1
Amphitheaters	1	1	1	1	1	1	1	1	1	1
Pickle Ball courts	N/A	N/A	N/A	N/A	N/A	N/A	4	4	4	4
18 hole disc golf course	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	1
Fishing pier	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	1
Skate park	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	1
Dog park	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1

N/A - Not Applicable

Data Source

Parks Department