

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending December 31, 2019



PALATINE PARK DISTRICT
Cook County, Illinois



PALATINE PARK DISTRICT, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Prepared by:
Michael G. Clark
Executive Director

Zaida Torres
Superintendent of Finance

PALATINE PARK DISTRICT, ILLINOIS

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PALATINE PARK DISTRICT, ILLINOIS

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INTRODUCTORY SECTION

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

PALATINE PARK DISTRICT, ILLINOIS

Principal Officials

December 31, 2019

LEGISLATIVE

BOARD OF PARK COMMISSIONERS

John Cozza, President

Terry Ruff, Vice President
Susan E. Gould, Commissioner

Jennifer Rogers, Treasurer
Nicholas G. Sawyer, Commissioner

ADMINISTRATIVE

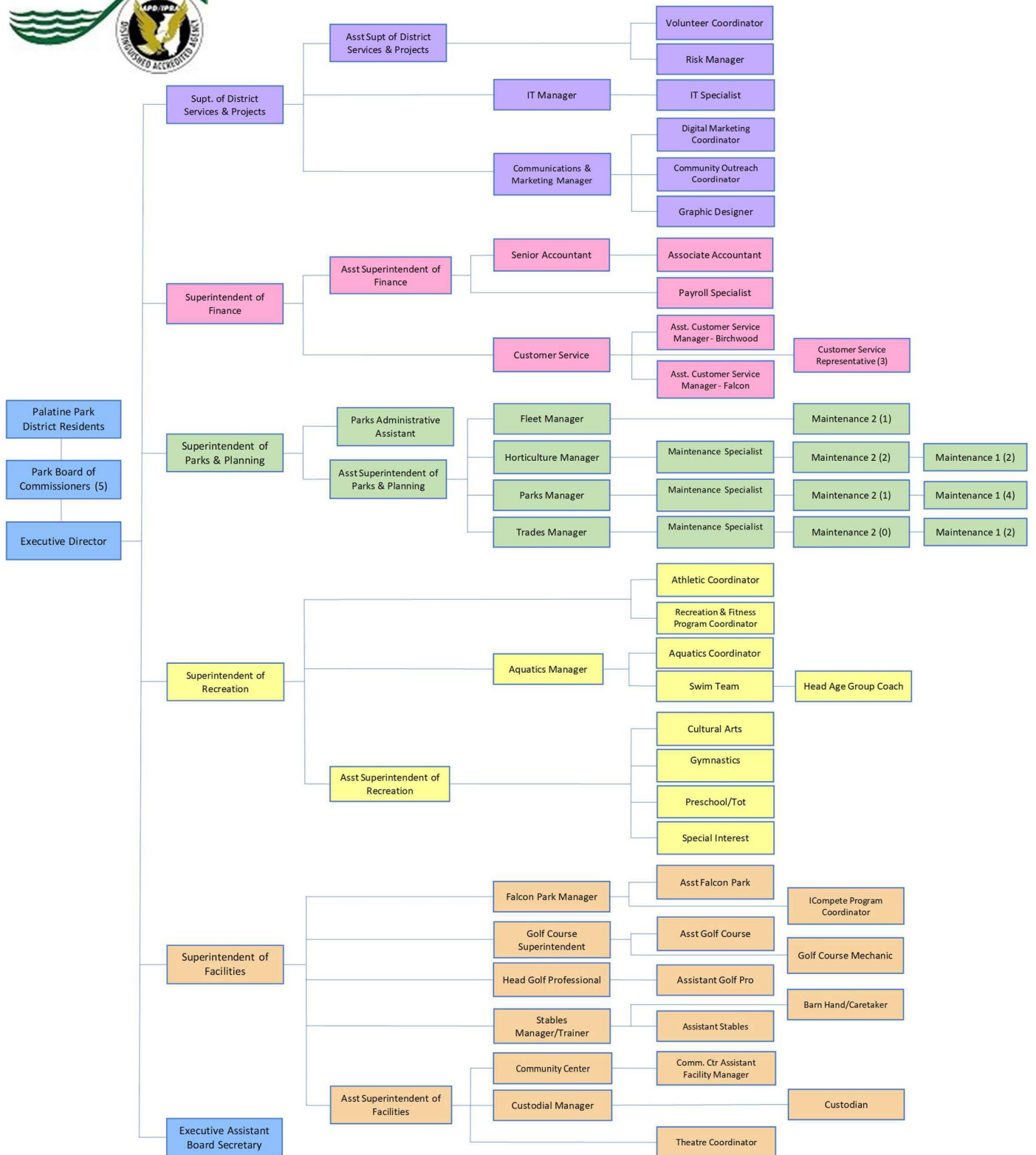
Michael G. Clark, Executive Director

FINANCE DEPARTMENT

Zaida Torres, Superintendent of Finance



ORGANIZATION CHART [2020]





May 15, 2020

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, 2019 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 Lauterbach & Amen, LLP, performed this audit for the fiscal year ended December 31, 2019. 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 Lauterbach & Amen LLP, a firm of licensed 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. This letter of transmittal is designed to complement the MD&A 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 includes 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 2019.

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 8, 2019	Regular Board Meeting	2019 Proposed Budget
February 12, 2019	Public Hearing	Public Comments on the 2019 Annual Budget
February 12, 2019	Regular Board Meeting	Board discusses, considers, and approves the 2019 Budget and Appropriation Ordinance #19-02
October 30, 2019	Special Board Meeting	2020 Proposed Budget
December 10, 2019	Public Hearing	Public Comments on the 2020 Annual Budget
December 10, 2019	Regular Board Meeting	Board discusses, considers, and approves the 2020 Budget and Appropriation Ordinance #19-07
December 10, 2019	Regular Board Meeting	Amended 2019 Budget and Appropriation Ordinance #19-10 draft presented to Board
January 14, 2020	Public Hearing	Public Comments on the Amended 2019 Budget and Appropriation Ordinance #19-10
January 14, 2020	Regular Board Meeting	Board discusses, considers, and approves the Amended 2019 Budget and Appropriation Ordinance #19-10
June 9, 2020	Regular Board Meeting	Board accepts 2019 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 2019 is less than the statewide rate.

2018 EAV decreased by 2.68% realizing a decrease of \$60,035,400. Furthermore, 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

2019 represented the fourth 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. 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 2019 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; therefore, 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 is 85.34% funded as of 12/31/19. This is an increase of 14.85% from prior year, which is attributed to an additional lump sum IMRF payment approved by Palatine Park District Board. 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 2019. 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 2019 was 10.90%.

The Park District is a trustee of the 457 plan, a defined contribution plan, which is fully funded by the employees. The Park District does not pay 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. The staff represents the District and often takes on leadership roles in Rotary, Kiwanis, the Chamber of Commerce, and other local community groups. 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 an Illinois distinguished accredited agency. In 2018, the District received the IAPD/IPRA Joint Distinguished Park and Recreation Award. The Palatine Park District scored 492 out of 500 possible points.

The Palatine Park District continues to push forward capital projects and to stay current with maintenance and repairs. In 2019, the District's greatest accomplishments are the completion of the Pickle Ball courts, a New Bike Trail, Reimer Skate Park, an extension to the Dog Park, and the addition of the Dutch Schutz Fitness and a walkway.

The Capital Plan includes various carry over projects and 2019 allowed for many to be completed. The trades division completed this year's LED lighting conversion project at the Community Center program rooms and other locations. Administration completed the first phase of the Document Archiving Project, which entailed scanning all large format drawings, software host tagging and uploading of all scanned documents to the archive site. Human Resources successfully implemented a new Applicant Tracking and Onboarding software/platform that has greatly increased efficiencies for applicants and hiring managers. Information Technology completed a multi-year project for a UPS backup system for the Community Center Server Room. This project supplies uninterruptable power to the servers at the main facility.

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

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 2019, for the fourth time, the Park District received the Excellence in Financial Reporting award for its 2018 CAFR. With this year's submission, staff is confident that it will achieve this distinction again for 2019. 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 entire staff of Finance Department, and the cooperation and assistance rendered by other departments. We also wish to express appreciation to the Board of Commissioners for their leadership, interest and support in planning and conducting the financial operations of the Palatine Park District in a responsible and progressive manner.

Respectfully Submitted,


Mike Clark
Executive Director

Zaida Torres

Zaida Torres
Superintendent of Finance



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, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

May 15, 2020

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, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Palatine Park District, Illinois, as of December 31, 2019, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Palatine Park District, Illinois' basic financial statements. The introductory section, other supplementary information, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

PALATINE PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2019

Our discussion and analysis of the Palatine Park District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the District's transmittal letter beginning on page 3 and the financial statements which begin on page 25.

FINANCIAL HIGHLIGHTS

- The District's net position decreased as a result of this year's operations. Net position of the governmental activities decreased by \$552,065 or (0.87) percent.
- During the year, government-wide revenues totaled \$24,054,967, while expenses totaled \$24,607,032 resulting in a decrease to net position of \$552,065.
- The District's net position totaled \$62,668,571 on December 31, 2019, which includes \$48,600,674 net investment in capital assets, \$6,930,022 subject to external restrictions, and \$7,137,875 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$1,648,854, resulting in ending fund balance of \$11,403,067, an increase of 16.9 percent.
- The District retired \$2,750,000 in outstanding long-term debt during the year and issued \$1,370,000 in new debt.
- The District restated beginning net position from \$62,749,166 to \$63,220,636 to correct errors in recognition of prior year receivables and payables and in deferred revenue.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 25 - 27) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 29. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 25 - 27 of this report.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's parks and recreation facilities, is needed to assess the overall health of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and charges for services. The governmental activities of the District include general government and culture and recreation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are considered governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

PALATINE PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2019

USING THIS ANNUAL REPORT - Continued

Fund Financial Statements - Continued

Governmental Funds - Continued

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Recreation, Debt Service and Capital Projects Funds, which are all considered major funds.

The District adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 29 - 35 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36 - 70 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's I.M.R.F. employee pension obligations as well as budgetary comparison schedules for the General Fund and Recreation Fund. Required supplementary information can be found on pages 72 - 77 of this report. Additional budgetary comparison schedules can be found on pages 80 - 85 of this report.

PALATINE PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred outflows by \$62,668,571.

	Net Position	
	2019	2018
Current and Other Assets	\$ 36,064,041	37,967,543
Capital Assets	68,979,905	68,158,282
Total Assets	105,043,946	106,125,825
Deferred Outflows	4,568,420	1,686,773
Total Assets/ Deferred Outflows	109,612,366	107,812,598
Long-Term Debt	26,299,065	24,279,408
Other Liabilities	3,574,845	3,262,906
Total Liabilities	29,873,910	27,542,314
Deferred Inflows	17,069,885	17,521,118
Total Liabilities/ Deferred Inflows	46,943,795	45,063,432
Net Position		
Net Investment in Capital Assets	48,600,674	52,666,687
Restricted	6,930,022	6,837,787
Unrestricted	7,137,875	3,244,692
Total Net Position	62,668,571	62,749,166

A large portion of the District's net position, \$48,600,674, or 77.5 percent reflects its net investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$6,930,022, or 11.1 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining 11.4 percent, or \$7,137,875, represents unrestricted net position and may be used to meet the District's ongoing obligations to citizens and creditors.

PALATINE PARK DISTRICT, ILLINOIS

**Management's Discussion and Analysis
December 31, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position	
	2019	2018
Revenues		
Program Revenues		
Charges for Services	\$ 8,033,299	7,967,721
Operating Grants	29,929	—
Capital Grants/Contributions	17,840	—
General Revenues		
Property Taxes	14,754,715	14,436,921
Replacement Taxes	165,033	148,461
Other General Revenues	1,054,151	771,744
Total Revenues	<u>24,054,967</u>	<u>23,324,847</u>
Expenses		
General Government	13,304,266	8,459,833
Culture and Recreation	10,553,980	18,812,094
Interest on Long-Term Debt	748,786	790,548
Total Expenses	<u>24,607,032</u>	<u>28,062,475</u>
Change in Net Position	(552,065)	(4,737,628)
Net Position - Beginning as Restated	<u>63,220,636</u>	<u>67,486,794</u>
Net Position-Ending	<u>62,668,571</u>	<u>62,749,166</u>

Net position of the District's governmental activities decreased by (1.26) percent (\$63,220,636 in 2018 compared to \$62,668,571 in 2019). Entity-wide adjustments for capital assets (capital outlay, depreciation expense, and the net effect of disposals) were lower than the adjustments for long-term debt (compensated absences net activity, net pension liability, total OPEB liability, principal retirement, and debt issuance). Numbers related to these entity-wide adjustments can be found on page 35. Unrestricted net position, the portion of net position that can be used to finance day-to-day operations without constraints, totaled \$7,137,875 at December 31, 2019, and increased from the prior year.

Management's Discussion and Analysis
December 31, 2019

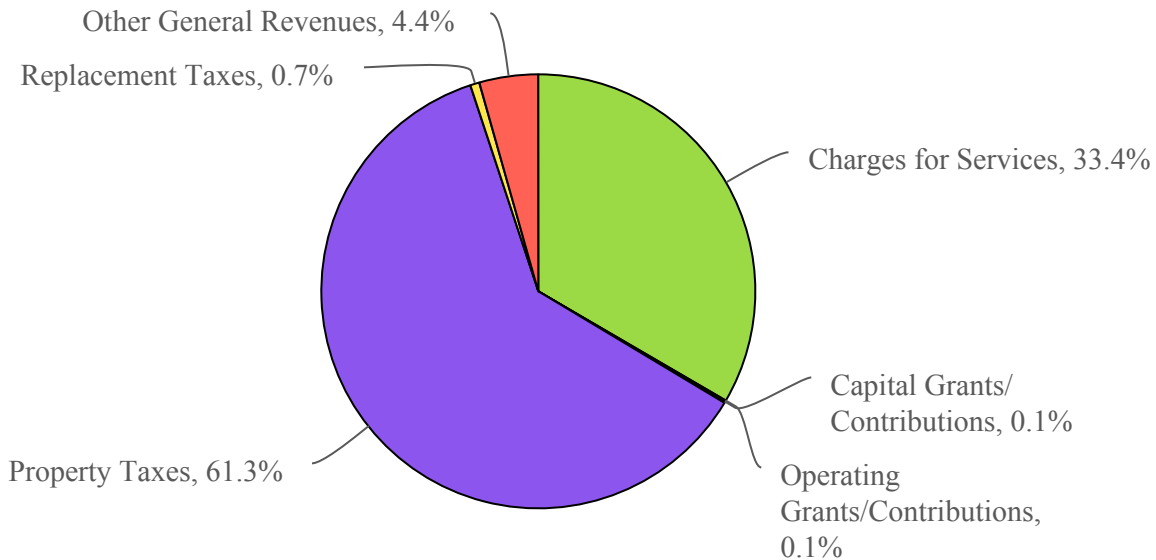
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities

Revenues for governmental activities totaled \$24,054,967, while the cost of all governmental functions totaled \$24,607,032. This results in a deficit of \$552,065. In 2018, revenues of \$23,324,847 fell below expenses of \$28,062,475, resulting in a deficit of \$4,737,628. Most notably, expenses in the current year decreased \$3,455,445 or 14 percent due the completion of the non-capital related expenses of the Harper College project or construction of an indoor swimming pool in the prior year.

The following table graphically depicts the major revenue sources of the District. It depicts very clearly the reliance of property taxes and charges for services to fund governmental activities. It also clearly identifies the less significant percentage the District receives from replacement taxes, interest and miscellaneous income.

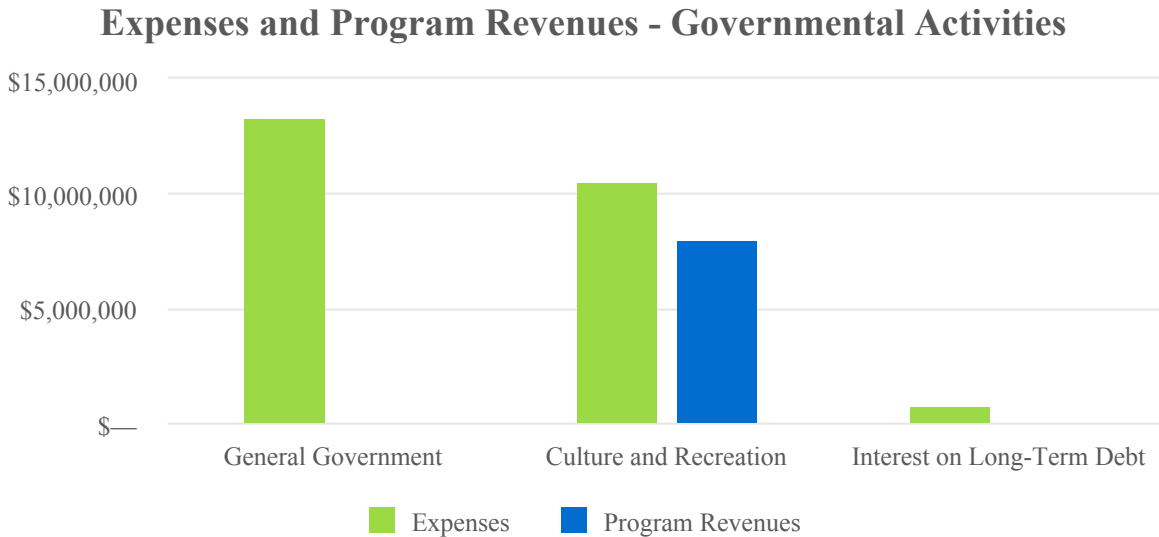
Revenues by Source - Governmental Activities



GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

The ‘Expenses and Program Revenues’ Table identifies those governmental functions where program expenses greatly exceed revenues.



FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

Governmental Funds

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

The District’s governmental funds reported combining ending fund balances of \$17,575,364, which is a decrease of \$2,922,712, or (14.3) percent, from last year’s total of \$20,498,076. Of the \$17,575,364, \$3,633,028, or approximately 20.7 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported a surplus in fund balance for the year of \$1,648,854, an increase of 16.9 percent. Revenues came in \$394,976 over budget and the District was budgeting for an increase in fund balance of \$284,367. The operating increase to the fund was \$644,467 and this increase was due to overall operating cost controlling measures.

PALATINE PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Governmental Funds - Continued

The General Fund is the chief operating fund of the District. At December 31, 2019, unassigned fund balance in the General Fund was \$5,904,319, which represents 51.8 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents 70.1 percent of total General Fund expenditures.

At December 31, 2019, the Recreation Fund had a decrease in fund balance of \$236,783. The District budgeted for a decrease in the Recreation fund balance of \$77,755. The actual decrease to the fund balance was due to a decrease in property taxes and an increase in expenditures.

The Bond and Interest Fund had an increase in fund balance of \$14,935. Ending fund balance of \$508,277 is restricted to future debt service related expenditures.

The Acquisition and Improvements Fund had a decrease in fund balance of \$4,484,559. This decrease was mainly due to the final payment for the Harper College project and completion of other capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund actual revenues for the year totaled \$9,072,874 compared to budgeted revenues of \$8,677,898. Property tax revenues were \$246,868 over budget. General Fund actual expenditures for the year were \$954,511 under budget (\$8,428,407 actual compared to \$9,382,918 budgeted). The general government and culture and recreation functions' actual expenditures were lower than budgeted due to overall cost controlling measures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's net investment in capital assets for its governmental activities as of December 31, 2019 was \$68,979,905 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress land improvements, buildings, infrastructure, machinery and equipment, and vehicles.

PALATINE PARK DISTRICT, ILLINOIS

**Management's Discussion and Analysis
December 31, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Capital Assets - Continued

	Capital Assets - Net of Depreciation	
	2019	2018
Land	\$ 33,737,978	33,737,978
Construction in Progress	1,755,442	1,135,008
Land Improvements	10,438,900	9,289,174
Buildings and Improvements	20,198,621	21,003,426
Furniture and Fixtures	66,146	93,945
Equipment and Vehicles	2,782,818	2,898,751
Total	<u>68,979,905</u>	<u>68,158,282</u>

This year's major additions included:

Construction in Progress	\$ 1,755,442
Land Improvements	943,290
Buildings and Improvements	60,590
Equipment and Vehicles	<u>613,571</u>
	<u>3,372,893</u>

Additional information on the District's capital assets can be found in note 3 on page 47 of this report.

PALATINE PARK DISTRICT, ILLINOIS

Management's Discussion and Analysis

December 31, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Debt Administration

At year-end, the District had total outstanding debt of \$20,335,000 as compared to \$21,715,000 the previous year, a decrease of \$2,750,000 and an increase of \$1,370,000. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2019	2018
General Obligation Bonds	\$ 20,335,000	21,715,000

The District maintains an Aa1 rating from Moody's for general obligation debt. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 2.875 percent of its total assessed valuation. The current debt limit for the District is \$62,749,378. Additional information on the District's long-term debt can be found in Note 3 on pages 49 - 54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal-year 2020 budget, tax rates, and fees that will be charged for its governmental activities. One of those factors is the economy, including unemployment rates, CPI, etc. Although the District considers the economy in setting rates and fees during the budget process, the District does not feel that these economic factors will have a significant bearing on District operations in the coming year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Superintendent of Finance, Palatine Park District, 250 East Wood Street, Palatine, IL 60067.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

PALATINE PARK DISTRICT, ILLINOIS

Statement of Net Position

December 31, 2019

See Following Page

PALATINE PARK DISTRICT, ILLINOIS

Statement of Net Position

December 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 18,985,704
Receivables - Net of Allowances	16,922,041
Inventory	5,859
Prepays	<u>150,437</u>
Total Current Assets	<u>36,064,041</u>
Noncurrent Assets	
Nondepreciable Capital Assets	35,493,420
Depreciable Capital Assets	89,898,625
Accumulated Depreciation	<u>(56,412,140)</u>
Total Noncurrent Assets	<u>68,979,905</u>
Total Assets	<u>105,043,946</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	3,836,001
Unamortized Refunding Loss	<u>732,419</u>
Total Deferred Outflows of Resources	<u>4,568,420</u>
Total Assets and Deferred Outflows of Resources	<u>109,612,366</u>

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

LIABILITIES		Governmental Activities
Current Liabilities		
Accounts Payable		\$ 1,546,313
Accrued Payroll		215,030
Accrued Interest Payable		57,541
Other Payables		236,045
Current Portion of Long-Term Debt		1,519,916
Total Current Liabilities		<u>3,574,845</u>
Noncurrent Liabilities		
Compensated Absences Payable		259,666
Net Pension Liability - IMRF		5,693,677
Total OPEB Liability - RBP		689,072
General Obligation Bonds Payable - Net		19,656,650
Total Noncurrent Liabilities		<u>26,299,065</u>
Total Liabilities		<u>29,873,910</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes		15,727,705
Deferred Items - IMRF		1,342,180
Total Deferred Inflows of Resources		<u>17,069,885</u>
Total Liabilities and Deferred Inflows of Resources		<u>46,943,795</u>
NET POSITION		
Net Investment in Capital Assets		48,600,674
Restricted		
Special Levies		
Liability Insurance		446,005
Museum		101,488
Special Recreation		1,029,352
Retirement		4,902,441
Debt Service		450,736
Unrestricted		<u>7,137,875</u>
Total Net Position		<u>62,668,571</u>

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

PALATINE PARK DISTRICT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2019

	Program Revenues				Net (Expenses)/ Revenues
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities					
General Government	\$ 13,304,266	—	429	—	(13,303,837)
Culture and Recreation	10,553,980	8,033,299	29,500	17,840	(2,473,341)
Interest on Long-Term Debt	748,786	—	—	—	(748,786)
Total Governmental Activities	24,607,032	8,033,299	29,929	17,840	(16,525,964)
		General Revenues			
		Taxes			
				Property Taxes	14,754,715
				Replacement Taxes	165,033
				Intergovernmental	214,211
				Interest	337,324
				Miscellaneous	502,616
					<u>15,973,899</u>
				Change in Net Position	(552,065)
				Net Position - Beginning as Restated	<u>63,220,636</u>
				Net Position - Ending	<u><u>62,668,571</u></u>

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

PALATINE PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2019

See Following Page

PALATINE PARK DISTRICT, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2019

	General	Special Revenue Recreation
ASSETS		
Cash and Investments	\$ 10,091,224	7,356,603
Receivables - Net of Allowances		
Taxes	8,342,727	4,516,693
Accounts	63,752	367,000
Notes	763,584	—
Due from Other Funds	1,456,359	—
Inventories	—	5,859
Prepays	150,302	135
	<hr/>	<hr/>
Total Assets	20,867,948	12,246,290
LIABILITIES		
Accounts Payable	332,259	398,874
Accrued Payroll	98,311	116,719
Due to Other Funds	—	—
Other Payables	691,584	308,045
Total Liabilities	1,122,154	823,638
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	8,342,727	4,516,693
Total Liabilities and Deferred Inflows of Resources	9,464,881	5,340,331
FUND BALANCES		
Nonspendable	150,302	5,994
Restricted	5,348,446	101,488
Assigned	—	6,798,477
Unassigned	5,904,319	—
Total Fund Balances	11,403,067	6,905,959
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	20,867,948	12,246,290

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

Debt Service Bond and Interest	Capital Projects Acquisition and Improvements	Nonmajor Special Recreation	Totals
508,525	—	1,029,352	18,985,704
1,995,394	—	872,891	15,727,705
—	—	—	430,752
—	—	—	763,584
—	—	—	1,456,359
—	—	—	5,859
—	—	—	150,437
2,503,919	—	1,902,243	37,520,400
248	814,932	—	1,546,313
—	—	—	215,030
—	1,456,359	—	1,456,359
—	—	—	999,629
248	2,271,291	—	4,217,331
1,995,394	—	872,891	15,727,705
1,995,642	2,271,291	872,891	19,945,036
—	—	—	156,296
508,277	—	1,029,352	6,987,563
—	—	—	6,798,477
—	(2,271,291)	—	3,633,028
508,277	(2,271,291)	1,029,352	17,575,364
2,503,919	—	1,902,243	37,520,400

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

PALATINE PARK DISTRICT, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2019

Total Governmental Fund Balances	\$ 17,575,364
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	68,979,905
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	2,493,821
Revenues are recognized for governmental activities when earned regardless of availability.	763,584
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(324,582)
Net Pension Liability - IMRF	(5,693,677)
Total OPEB Liability - RBP	(689,072)
General Obligation Bonds Payable - Net	(21,111,650)
Unamortized Refunding Loss	732,419
Accrued Interest Payable	(57,541)
Net Position of Governmental Activities	<u>62,668,571</u>

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

PALATINE PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2019**

See Following Page

PALATINE PARK DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2019**

	General	Special Revenue Recreation
Revenues		
Taxes	\$ 8,542,365	3,569,983
Charges for Services	—	8,171,173
Intergovernmental	429	29,500
Interest	361,355	—
Miscellaneous	168,725	50,260
Total Revenues	<u>9,072,874</u>	<u>11,820,916</u>
Expenditures		
Current		
General Government	7,461,781	—
Culture and Recreation	—	11,297,018
Capital Outlay	—	75,053
Debt Service		
Principal Retirement	425,000	—
Interest and Fiscal Charges	541,626	—
Total Expenditures	<u>8,428,407</u>	<u>11,372,071</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>644,467</u>	<u>448,845</u>
Other Financing Sources (Uses)		
Debt Issuance	1,370,000	—
Payment to Escrow Agent	(1,355,000)	—
Transfers In	989,387	314,372
Transfers Out	—	(1,000,000)
	<u>1,004,387</u>	<u>(685,628)</u>
Net Change in Fund Balances	1,648,854	(236,783)
Fund Balances - Beginning as Restated	<u>9,754,213</u>	<u>7,142,742</u>
Fund Balances - Ending	<u><u>11,403,067</u></u>	<u><u>6,905,959</u></u>

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

Debt Service	Capital Projects	Nonmajor	Totals
Bond and Interest	Acquisition and Improvements	Special Recreation	
1,969,568	—	837,832	14,919,748
—	—	—	8,171,173
—	232,051	—	261,980
—	(24,031)	—	337,324
—	283,631	—	502,616
1,969,568	491,651	837,832	24,192,841
—	—	—	7,461,781
—	—	485,526	11,782,544
—	5,669,722	—	5,744,775
970,000	—	—	1,395,000
204,827	—	—	746,453
1,174,827	5,669,722	485,526	27,130,553
794,741	(5,178,071)	352,306	(2,937,712)
—	—	—	1,370,000
—	—	—	(1,355,000)
—	1,217,465	—	2,521,224
(779,806)	(523,953)	(217,465)	(2,521,224)
(779,806)	693,512	(217,465)	15,000
14,935	(4,484,559)	134,841	(2,922,712)
493,342	2,213,268	894,511	20,498,076
508,277	(2,271,291)	1,029,352	17,575,364

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

PALATINE PARK DISTRICT, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended December 31, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ (2,922,712)

Amounts reported for governmental activities in the Statement of Activities
are different because:

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

Capital Outlays	3,372,893
Depreciation Expense	(2,474,988)
Disposals - Cost	(119,253)
Disposals - Accumulated Depreciation	42,971

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

Change in Deferred Items - IMRF	3,803,550
Change in Deferred Items - RBP	26,806

Revenues in the Statement of Activities that do not provide current financial
resources are not reported as revenue in the governmental funds.

(137,874)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change to Net Pension Liability - IMRF	(3,509,245)
Change to Total OPEB Liability - RBP	(45,770)
Change to Compensated Absences Payable	57,373
Retirement of Debt - Net	2,799,460
Issuance of Debt	(1,370,000)
Amortization of Refunding Loss	(72,943)

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

(2,333)

Changes in Net Position of Governmental Activities

(552,065)

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

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Palatine Park District (District) of Illinois operates under a commissioner-director form of government and is governed by an elected five-member board. The financial statements of 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 government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

REPORTING ENTITY

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

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The District's culture and recreation and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The District's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The District first utilizes restricted resources to finance qualifying activities.

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (general government, culture and recreation, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, charges for services, interest income, etc.).

The District does not allocate indirect costs. An administrative and maintenance service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, legal, etc.).

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

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. All of the District funds are reported as governmental funds. An emphasis is placed on major funds within the governmental category.

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

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all revenues and expenditures of the District which are not accounted for in other funds. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains two special revenue funds. The Recreation Fund, a major fund, is used to account 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.

Debt service funds are used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. The Bond and Interest Fund, a major fund, is used to account for restricted, committed or assigned resources required for the payment of principal and interest.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Acquisitions and Improvement Fund, a major fund, is used to account for the acquisition and construction of major capital facilities. Financing is provided by grants and donations.

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

Cash and Investments

For purpose of the Statement of Net Position, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent.

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

Interfund Receivables, Payables and Activity

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

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes.

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Prepays/Inventories

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

Capital Assets

Capital assets purchased or acquired with an original 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, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	10 - 30 Years
Buildings and Improvements	45 Years
Furniture and Fixtures	5 - 20 Years
Equipment	15 - 20 Years
Vehicles	7 - 10 Years

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits.

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

Long-Term Obligations

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

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

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Net Position

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

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

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

BUDGETARY INFORMATION - Continued

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Special Recreation	\$ 310

DEFICIT FUND BALANCE

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

Fund	Deficit
Acquisition and Improvements	\$ 2,271,291

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the District's funds.

Permitted Deposits and Investments - Statutes authorize the District to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Metropolitan Investment Fund.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

At year-end, the carrying amount of the District's deposits totaled \$18,983,977 and the bank balances totaled \$19,292,364. At year-end, the District also had \$1,727 invested in IMET.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District 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's investment in the IMET has an average maturity of less than one year.

Concentration Risk. Concentration risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The investment policy does not include any limitations on individual investment types. At year-end, the District does not have any investments over 5 percent of the cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. In order to limit its exposure to 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. At year-end, the District's investment in the IMET was rated AAAM by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral 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. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. To limit its exposure, the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution. IMET funds are not subject to custodial credit risk.

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Acquisition and Improvements	<u>\$ 1,456,359</u>

Interfund Transfers

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Debt Service	\$ 779,806
General	Capital Projects	209,581
Recreation	Capital Projects	314,372
Capital Projects	Recreation	1,000,000
Capital Projects	Nonmajor Governmental	<u>217,465</u>
		<u>2,521,224</u>

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

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 33,737,978	—	—	33,737,978
Construction in Progress	1,135,008	1,755,442	1,135,008	1,755,442
	<u>34,872,986</u>	<u>1,755,442</u>	<u>1,135,008</u>	<u>35,493,420</u>
Depreciable Capital Assets				
Land Improvements	23,318,403	2,078,298	—	25,396,701
Buildings and Improvements	48,547,917	60,590	—	48,608,507
Furniture and Fixtures	3,211,165	—	—	3,211,165
Equipment and Vehicles	12,187,934	613,571	119,253	12,682,252
	<u>87,265,419</u>	<u>2,752,459</u>	<u>119,253</u>	<u>89,898,625</u>
Less Accumulated Depreciation				
Land Improvements	14,029,229	928,572	—	14,957,801
Buildings and Improvements	27,544,491	865,395	—	28,409,886
Furniture and Fixtures	3,117,220	27,799	—	3,145,019
Equipment and Vehicles	9,289,183	653,222	42,971	9,899,434
	<u>53,980,123</u>	<u>2,474,988</u>	<u>42,971</u>	<u>56,412,140</u>
Total Net Depreciable Capital Assets	<u>33,285,296</u>	<u>277,471</u>	<u>76,282</u>	<u>33,486,485</u>
Total Net Capital Assets	<u>68,158,282</u>	<u>2,032,913</u>	<u>1,211,290</u>	<u>68,979,905</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 690,412
Culture and Recreation	<u>1,784,576</u>
	<u>2,474,988</u>

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2019 attach as an enforceable lien on January 1 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments on or about March 1 and August 1. The County collects such taxes and remits them periodically.

NOTES RECEIVABLE

The District has executed notes receivable to various organizations utilizing and seeking to improve District facilities. As of December 31, 2019, these notes range in principal from \$72,000 to \$435,000 and total \$763,584. Payments are due in annual installments ranging from \$6,000 to \$120,000 over the remaining life of the notes receivable with interest ranging from zero to 4.25%, maturing between 2023 and 2031.

JOINT GOVERNED ORGANIZATION - NORTHWEST SPECIAL RECREATION ASSOCIATION

The District is a member of the Northwest Special Recreation Association (NWSRA), which was organized by 17 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 2019 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, 2019, the District contributed \$484,716 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, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

SHORT-TERM DEBT

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The schedule below details the changes in short-term debt for the year-ended December 31, 2019:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Taxable General Obligation Limited Tax Park Bonds of 2019, due in one installment of \$789,000 plus interest at 3.06% on April 10, 2019.	\$ —	789,000	789,000	—

LONG-TERM DEBT

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Alternate Revenue Source 2011, due in annual installments of \$170,000 to \$250,000 plus interest at 2.250% to 4.125% through December 1, 2025.	\$ — 1,555,000	—	1,355,000 * 200,000	—
General Obligation Refunding Limited Tax Park Bonds of 2012A, due in annual installments of \$305,000 to \$415,000 plus interest at 2.00% to 3.50% through December 15, 2023.	1,900,000	—	340,000	1,560,000

*Amount Refunded

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation Bonds - Continued

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Taxable General Obligation Limited Tax Park Bonds of 2015B, due in annual installments of \$155,000 to \$630,000 plus interest at 0.70% to 1.90% through December 1, 2019.	\$ 630,000	—	630,000	—
General Obligation Alternate Revenue Source Refunding Park Bonds of 2015C, due in annual installments of \$65,000 to \$1,145,000 plus interest at 2.00% to 4.00% through December 1, 2026.	4,685,000	—	225,000	4,460,000
General Obligation Limited Tax Refunding Park Bonds of 2015D, due in annual installments of \$390,000 to \$845,000 plus interest at 2.50% to 4.00% through December 1, 2027.	4,125,000	—	—	4,125,000
General Obligation Alternate Revenue Source Park Bonds of 2017, due in annual installments of \$500,000 to \$1,070,000 plus interest at 3.00% to 4.00% through December 1, 2036.	8,820,000	—	—	8,820,000
General Obligation Alternate Revenue Source Refunding Park Bonds of 2019A, due in annual installments of \$215,000 to \$240,000 plus interest at 1.72% through December 15, 2025.	—	1,370,000	—	1,370,000
	<u>21,715,000</u>	<u>1,370,000</u>	<u>2,750,000</u>	<u>20,335,000</u>

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 381,955	57,373	114,746	324,582	64,916
Net Pension Liability - IMRF	2,184,432	3,509,245	—	5,693,677	—
Total OPEB Liability - RBP	643,302	45,770	—	689,072	—
General Obligation Bonds	21,715,000	1,370,000	2,750,000	20,335,000	1,455,000
Plus: Unamortized Premium	826,110	—	49,460	776,650	—
	<u>25,750,799</u>	<u>4,982,388</u>	<u>2,914,206</u>	<u>27,818,981</u>	<u>1,519,916</u>

The compensated absences, the net pension liability, and the total OPEB liability are liquidated by the General and Recreation Funds. Payments on the general obligation bonds are made by the General Fund and Bond and Interest Fund.

Defeased Debt

On September 16, 2019, the District issued \$1,370,000 par value General Obligation Alternate Revenue Source Refunding Park Bonds of 2019A to refund \$1,355,000 of the General Obligation Alternate Revenue Source 2011. The District defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the District reduced its total debt service by \$93,413 and obtained an economic gain of \$90,838.

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2020	\$ 1,455,000	662,977
2021	1,495,000	615,328
2022	1,515,000	552,344
2023	1,560,000	532,338
2024	1,585,000	484,582
2025	1,625,000	432,616
2026	1,435,000	389,012
2027	1,345,000	345,962
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
Totals	<u>20,335,000</u>	<u>5,690,659</u>

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Legal Debt Margin

Chapter 70, Section 1205/6-2 of the Illinois Compiled Statutes provides "...for the payment of land condemned or purchased for parks or boulevards, for the building, maintaining, improving and protection of the same and for the payment of the expenses incident thereto, or for the acquisition of real estate and lands to be used as a site for an armory, any park district is authorized to issue the bonds or notes of such park district and pledge its property and credit therefore to an amount including existing indebtedness of such district so that the aggregate indebtedness of such district does not exceed 2.875% of the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes previous to the issue from time to time of such bonds or notes or, until January 1, 1983, if greater, the sum that is produced by multiplying the district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, if a petition, signed by voters in number equal to not less than 2% of the voters of the district, who voted at the last general election in the district, asking that the authorized aggregate indebtedness of the district be increased to not more that .575% of the value of the taxable property therein, is presented to the Board and such increase is approved by the voters of the district at a referendum held on the question.

Assessed Valuation - 2018	<u>\$ 2,182,587,072</u>
Legal Debt Limit - 2.875% of Assessed Value	62,749,378
Amount of Debt Applicable to Limit	<u>5,685,000</u>
Legal Debt Margin	<u>57,064,378</u>
Non-Referendum Legal Debt Limit	
0.575% of Assessed Valuation	12,549,876
Amount of Debt Applicable to Debt Limit	<u>5,685,000</u>
Non-Referendum Legal Debt Margin	<u>6,864,876</u>

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Alternate Revenue Source Bonds

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 Legal Debt Margin, debt service requirements to maturity, with the pledge expiring December 15, 2036, when the bonds are paid off.

NET POSITION/FUND BALANCE

Net Position/Fund Balance Restatements

Beginning net position/fund balances were restated to correct errors in recognition of prior year receivables and payables and in deferred revenue. The following is a summary of the net position/fund balances as originally reported and as restated:

<u>Net Position/Fund Balance</u>	<u>As Reported</u>	<u>As Restated</u>	<u>Increase</u>
Governmental Activities	\$ 62,749,166	63,220,636	471,470
General	9,608,429	9,754,213	145,784
Recreation	6,827,356	7,142,742	315,386
Acquisiton and Construciton	2,202,968	2,213,268	10,300

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCE - Continued

Net Investment in Capital Assets

Net investment in capital assets was comprised of the following as of December 31, 2019:

Governmental Activities

Capital Assets - Net of Accumulated Depreciation	\$ 68,979,905
Plus: Unamortized Refunding Loss	732,419
Less Capital Related Debt:	
General Obligation Limited Tax Refunding Park Bonds of 2012A	(1,560,000)
General Obligation ARS Refunding Park Bonds of 2015C	(4,460,000)
General Obligation Limited Tax Refunding Park Bonds of 2015D	(4,125,000)
General Obligation ARS Park Bonds of 2017	(8,820,000)
General Obligation Refunding Park ARS Bonds of 2019A	(1,370,000)
Unamortized Bond Premium	<u>(776,650)</u>
Net Investment in Capital Assets	<u><u>48,600,674</u></u>

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCE - Continued

Fund Balance Classifications

In the governmental funds financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Commissioners; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

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

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

Minimum Fund Balance Policy. The District's policy manual states that the General Fund should maintain a minimum assigned and unassigned fund balance equal to four months of budgeted operating expenditures. The Recreation Fund should maintain a minimum assigned fund balance of no less than three months of budgeted operating expenditures.

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION/FUND BALANCE - Continued

Fund Balance Classifications - Continued

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

	General	Special Revenue Recreation	Debt Service Bond and Interest	Capital Projects Acquisition and Construction	Nonmajor Special Recreation	Totals
Fund Balances						
Nonspendable						
Inventories	\$ —	5,859	—	—	—	5,859
Prepays	150,302	135	—	—	—	150,437
	<u>150,302</u>	<u>5,994</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>156,296</u>
Restricted						
Property Tax Levies						
Special Recreation	—	—	—	—	1,029,352	1,029,352
Liability Insurance	446,005	—	—	—	—	446,005
Retirement	4,902,441	—	—	—	—	4,902,441
Museum	—	101,488	—	—	—	101,488
Debt Service	—	—	508,277	—	—	508,277
	<u>5,348,446</u>	<u>101,488</u>	<u>508,277</u>	<u>—</u>	<u>1,029,352</u>	<u>6,987,563</u>
Assigned						
Recreational Programming, Facility Maintenance, and Future Recreation Capital	—	6,798,477	—	—	—	6,798,477
	<u>—</u>	<u>6,798,477</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,798,477</u>
Unassigned	5,904,319	—	—	(2,271,291)	—	3,633,028
	<u>5,904,319</u>	<u>—</u>	<u>—</u>	<u>(2,271,291)</u>	<u>—</u>	<u>3,633,028</u>
Total Fund Balances	<u>11,403,067</u>	<u>6,905,959</u>	<u>508,277</u>	<u>(2,271,291)</u>	<u>1,029,352</u>	<u>17,575,364</u>

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION

CONTINGENT LIABILITIES

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.

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.

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.

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.

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Metro Risk Management Agency - Continued

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, 2019 (the most recent information available) and the statement of revenues and expenses for the period ended March 31, 2019. The District made payments of \$618,763 to MRMA during the year ended December 31, 2019.

Assets	\$	2,153,093
Liabilities		1,132,135
Member Balances		1,020,958
Revenues		1,710,221
Expenditures		1,701,693

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

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.

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

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

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

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

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	94
Inactive Plan Members Entitled to but not yet Receiving Benefits	114
Active Plan Members	<u>114</u>
Total	<u><u>322</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2019, the District's contribution was 20.86% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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 tables 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.

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

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, and 7.50% in the prior year. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 9,890,046	5,693,677	2,213,830

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 32,673,737	30,489,305	2,184,432
Changes for the Year:			
Service Cost	562,367	—	562,367
Interest on the Total Pension Liability	2,414,339	—	2,414,339
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,177,998)	—	(1,177,998)
Changes of Assumptions	981,218	—	981,218
Contributions - Employer	—	725,361	(725,361)
Contributions - Employees	—	266,840	(266,840)
Net Investment Income	—	(1,500,950)	1,500,950
Benefit Payments, Including Refunds of Employee Contributions	(1,577,464)	(1,527,464)	(50,000)
Other (Net Transfer)	—	(270,570)	270,570
Net Changes	1,202,462	(2,306,783)	3,509,245
Balances at December 31, 2018	33,876,199	28,182,522	5,693,677

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended December 31, 2019, the District recognized pension expense of \$939,104. At December 31, 2019, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 41,298	(928,136)	(886,838)
Change in Assumptions	648,362	(414,044)	234,318
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	1,918,932	—	1,918,932
Total Pension Expense to be Recognized in Future Periods	2,608,592	(1,342,180)	1,266,412
Pension Contributions Made Subsequent to Measurement Date	1,227,409	—	1,227,409
 Total Deferred Amounts Related to IMRF	 3,836,001	 (1,342,180)	 2,493,821

\$1,227,409 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2020	\$ 180,533
2021	102,285
2022	232,109
2023	751,485
2024	—
Thereafter	—
Total	1,266,412

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

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

Benefits Provided. The District provides post-employment 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.

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>74</u>
Total	<u>76</u>

Total OPEB Liability

The District’s total OPEB liability was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued.

Inflation	2.25%
Salary Increases	2.50%
Discount Rate	2.74%
Healthcare Cost Trend Rates	
PPO	6.87% to an Ultimate of 5.00% in 2028
HMO	6.42% to an Ultimate of 5.00% in 2028
Retirees' Share of Benefit-Related Costs	100% of the benefit related costs

The discount rate was based on a combination of the Expected Long-Term Rate of Return on the Plan Assets and the municipal bond rate..

Mortality rates were based on the Active IMRF motality follows the Sex Distict Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2014 improvement rates and weighted based on the IMRF December 31, 2016 actuarial valuation.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2018	<u>\$ 643,302</u>
Changes for the Year:	
Service Cost	12,588
Interest on the Total OPEB Liability	25,336
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	58,208
Benefit Payments	(50,362)
Other Changes	—
Net Changes	<u>45,770</u>
Balance at December 31, 2019	<u><u>689,072</u></u>

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.74%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 740,991	689,072	644,862

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using varied Healthcare Trend Rates as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 626,166	689,072	762,435

PALATINE PARK DISTRICT, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the District recognized OPEB expense of \$69,326. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expenses, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience \$	—	—	—
Change in Assumptions	—	—	—
Net Difference Between Projected and Actual Earnings	—	—	—
Total Deferred Amounts Related to OPEB	—	—	—

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

Fiscal Year	Net Deferred (Inflows) of Resources
2020	\$ —
2021	—
2022	—
2023	—
2024	—
Thereafter	—
Total	—

PALATINE PARK DISTRICT, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

SUBSEQUENT EVENTS

Subsequent to the date of the financial statements and prior to the audit opinion date, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the District's operations and financial position cannot be determined.

On April 1, 2020 the District issued \$764,000 of Taxable General Obligation Limited Park Bond of 2020, due in one installments of \$764,000, plus interest at 1.80% on April 1, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability
Retiree Benefit Plan
- Budgetary Comparison Schedules
General Fund
Recreation - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary information - budgets are adopted on a basis consistent with generally accepted accounting principles.

PALATINE PARK DISTRICT, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
December 31, 2019**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 640,668	651,736	\$ 11,068	\$ 5,325,582	12.24%
2015	704,561	704,561	—	5,587,325	12.61%
2016	757,493	757,493	—	5,682,615	13.33%
2017	727,676	727,676	—	5,676,104	12.82%
2018	725,362	725,362	—	5,821,527	12.46%
2019	644,526	1,233,409	588,883	5,913,082	20.86%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

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

PALATINE PARK DISTRICT, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
December 31, 2019**

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 632,502
Interest	1,943,627
Differences Between Expected and Actual Experience	284,944
Change of Assumptions	1,104,414
Benefit Payments, Including Refunds of Member Contributions	<u>(950,531)</u>
Net Change in Total Pension Liability	3,014,956
Total Pension Liability - Beginning	<u>26,074,038</u>
Total Pension Liability - Ending	<u><u>29,088,994</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 651,736
Contributions - Members	280,266
Net Investment Income	1,471,575
Benefit Payments, Including Refunds of Member Contributions	<u>(950,531)</u>
Other (Net Transfer)	<u>(137,962)</u>
Net Change in Plan Fiduciary Net Position	1,315,084
Plan Net Position - Beginning	<u>24,133,452</u>
Plan Net Position - Ending	<u><u>25,448,536</u></u>
Employer's Net Pension Liability	<u><u>\$ 3,640,458</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.49%
Covered Payroll	\$ 5,325,582
Employer's Net Pension Liability as a Percentage of Covered Payroll	68.36%

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

2015	2016	2017	2018
603,528	612,893	594,566	562,367
2,157,573	2,290,534	2,361,792	2,414,339
151,888	(752,695)	100,340	(1,177,998)
37,583	(113,753)	(966,365)	931,218
(1,092,407)	(1,180,992)	(1,219,742)	(1,527,464)
1,858,165	855,987	870,591	1,202,462
29,088,994	30,947,159	31,803,146	32,673,737
30,947,159	31,803,146	32,673,737	33,876,199
704,561	757,493	727,676	725,361
257,971	259,574	268,266	266,840
126,918	1,766,840	4,465,008	(1,500,950)
(1,092,407)	(1,180,992)	(1,219,742)	(1,527,464)
40,277	(376,167)	(464,507)	(270,570)
37,320	1,226,748	3,776,701	(2,306,783)
25,448,536	25,485,856	26,712,604	30,489,305
25,485,856	26,712,604	30,489,305	28,182,522
5,461,303	5,090,542	2,184,432	5,693,677
82.35%	83.99%	93.31%	83.19%
5,587,325	5,682,615	5,676,104	5,821,527
97.74%	89.58%	38.48%	97.80%

PALATINE PARK DISTRICT, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2019

	2018	2019
Total OPEB Liability		
Service Cost	\$ 12,965	12,588
Interest	22,746	25,336
Change of Assumptions or Other Inputs	(28,720)	58,208
Difference Between Expected and Actual Experience	—	—
Benefit Payments	(48,779)	(50,362)
Other Changes	—	—
Net Change in Total OPEB Liability	(41,788)	45,770
Total OPEB Liability - Beginning	685,090	643,302
Total OPEB Liability - Ending	643,302	689,072
Covered Payroll	\$ 4,609,795	4,725,040
Total OPEB Liability as a Percentage of Covered Payroll	13.96%	14.58%

Notes:

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

Changes of Benefit Term. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	PPO	HMO
2020	6.87%	6.42%
2021	6.63%	6.24%
2022	6.40%	6.07%
2023	6.17%	5.89%
2024	5.93%	5.71%
2025	5.70%	5.53%
2026	5.47%	5.36%
2027	5.23%	5.18%
2028	5.00%	5.00%
Ultimate	5.00%	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

PALATINE PARK DISTRICT, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 8,130,464	8,130,464	8,377,332
Replacement Taxes	145,345	145,345	165,033
Intergovernmental	—	—	429
Interest	200,000	200,000	361,355
Miscellaneous	202,089	202,089	168,725
Total Revenues	<u>8,677,898</u>	<u>8,677,898</u>	<u>9,072,874</u>
Expenditures			
General Government	8,405,958	8,430,530	7,461,781
Debt Service			
Principal Retirement	425,000	425,000	425,000
Interest and Fiscal Charges	527,388	527,388	541,626
Total Expenditures	<u>9,358,346</u>	<u>9,382,918</u>	<u>8,428,407</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(680,448)</u>	<u>(705,020)</u>	<u>644,467</u>
Other Financing Sources (Uses)			
Debt Issuance	—	—	1,370,000
Payment to Escrow Agent	—	—	(1,355,000)
Transfers In	989,387	989,387	989,387
	<u>989,387</u>	<u>989,387</u>	<u>1,004,387</u>
Net Change In Fund Balance	<u>308,939</u>	<u>284,367</u>	1,648,854
Fund Balance - Beginning as Restated			<u>9,754,213</u>
Fund Balance - Ending			<u><u>11,403,067</u></u>

PALATINE PARK DISTRICT, ILLINOIS

Recreation Fund

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

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 4,095,753	4,095,753	3,569,983
Charges for Services	9,202,523	9,317,749	8,171,173
Intergovernmental	33,600	33,600	29,500
Miscellaneous	32,550	32,550	50,260
Total Revenues	<u>13,364,426</u>	<u>13,479,652</u>	<u>11,820,916</u>
Expenditures			
Culture and Recreation	12,407,121	12,756,851	11,297,018
Capital Outlay	114,928	114,928	75,053
Total Expenditures	<u>12,522,049</u>	<u>12,871,779</u>	<u>11,372,071</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>842,377</u>	<u>607,873</u>	<u>448,845</u>
Other Financing Sources (Uses)			
Transfers In	314,372	314,372	314,372
Transfers Out	(1,000,000)	(1,000,000)	(1,000,000)
	<u>(685,628)</u>	<u>(685,628)</u>	<u>(685,628)</u>
Net Change in Fund Balance	<u>156,749</u>	<u>(77,755)</u>	(236,783)
Fund Balance - Beginning as Restated			<u>7,142,742</u>
Fund Balance - Ending			<u><u>6,905,959</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Recreation Fund

The Recreation Fund is used to account 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.

Special Recreation Fund

The Special Recreation 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.

DEBT SERVICE FUND

The Debt Service Funds are used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

Bond and Interest Fund

The Bond and Interest Fund is used to account for restricted, committed or assigned resources required for the payment of principal and interest.

CAPITAL PROJECTS FUND

The Capital Projects Fund are used to account for financial resources to be used for the acquisition or construction of major capital facilities, equipment, and capital asset replacements.

Acquisition and Improvement Fund

The Acquisitions and Improvement Fund is used to account for the acquisition and construction of major capital facilities. Financing is provided by grants and donations.

PALATINE PARK DISTRICT, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Personnel Services	\$ 5,512,536	5,512,536	5,012,874
Supplies and Commodities	613,777	613,777	446,707
Contracted Services	2,192,095	2,216,667	1,929,419
Repairs and Maintenance	87,550	87,550	72,781
Total General Government	<u>8,405,958</u>	<u>8,430,530</u>	<u>7,461,781</u>
Debt Service			
Principal Retirement	425,000	425,000	425,000
Interest and Fiscal Charges	527,388	527,388	541,626
Total Debt Service	<u>952,388</u>	<u>952,388</u>	<u>966,626</u>
Total Expenditures	<u>9,358,346</u>	<u>9,382,918</u>	<u>8,428,407</u>

PALATINE PARK DISTRICT, ILLINOIS

**Recreation - Special Revenue Fund
Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Taxes			
Property Taxes	\$ 4,095,753	4,095,753	3,569,983
Charges for Services			
Registration and Lesson Fees	5,958,594	5,958,594	5,406,815
Daily Fees and Ticket Sales	1,002,374	1,002,374	925,634
Golf Fees and Admission	1,214,641	1,214,641	967,911
Other Program Revenues	513,713	628,939	332,520
Rentals	500,758	500,758	530,155
Concession Sales	12,443	12,443	8,108
Special Events	—	—	30
Total Charges for Services	9,202,523	9,317,749	8,171,173
Intergovernmental			
Grants and Donations	33,600	33,600	29,500
Miscellaneous	32,550	32,550	50,260
Total Revenues	13,364,426	13,479,652	11,820,916

PALATINE PARK DISTRICT, ILLINOIS

**Recreation - Special Revenue Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Culture and Recreation			
Personnel Services	\$ 7,633,488	7,633,488	7,287,203
Supplies and Commodities	1,098,189	1,098,189	936,414
Contracted Services	3,097,543	3,447,273	2,690,990
Repairs and Maintenance	577,901	577,901	382,411
Total Culture and Recreation	12,407,121	12,756,851	11,297,018
Capital Outlay			
Capital Improvements	114,928	114,928	75,053
Total Expenditures	12,522,049	12,871,779	11,372,071

PALATINE PARK DISTRICT, ILLINOIS

Bond and Interest - Debt Service Fund

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

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,958,188	1,958,188	1,969,568
Expenditures			
Debt Service			
Principal Retirement	970,000	970,000	970,000
Interest and Fiscal Charges	208,382	208,382	204,827
Total Expenditures	1,178,382	1,178,382	1,174,827
Excess (Deficiency) of Revenues Over (Under) Expenditures	779,806	779,806	794,741
Other Financing (Uses)			
Transfers Out	(779,806)	(779,806)	(779,806)
Net Change in Fund Balance	—	—	14,935
Fund Balance - Beginning			493,342
Fund Balance - Ending			508,277

PALATINE PARK DISTRICT, ILLINOIS

Acquisition and Improvement - Capital Projects Fund

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

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
TIF Surplus from Village	\$ 58,000	58,000	214,211
Grants	—	—	17,840
Interest	—	—	(24,031)
Miscellaneous	176,798	176,798	283,631
Total Revenues	<u>234,798</u>	<u>234,798</u>	<u>491,651</u>
Expenditures			
Capital Outlay	<u>8,053,009</u>	<u>8,373,748</u>	<u>5,669,722</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,818,211)</u>	<u>(8,138,950)</u>	<u>(5,178,071)</u>
Other Financing Sources (Uses)			
Transfers In	1,217,465	1,217,465	1,217,465
Transfers Out	(523,953)	(523,953)	(523,953)
	<u>693,512</u>	<u>693,512</u>	<u>693,512</u>
Net Change in Fund Balance	<u>(7,124,699)</u>	<u>(7,445,438)</u>	<u>(4,484,559)</u>
Fund Balance - Beginning as Restated			<u>2,213,268</u>
Fund Balance - Ending			<u>(2,271,291)</u>

PALATINE PARK DISTRICT, ILLINOIS

Special Recreation - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 816,461	816,461	837,832
Expenditures			
Culture and Recreation			
Contracted Services	485,216	485,216	485,526
Excess (Deficiency) of Revenues Over (Under) Expenditures	331,245	331,245	352,306
Other Financing (Uses)			
Transfers Out	(217,465)	(217,465)	(217,465)
Net Change in Fund Balance	<u>113,780</u>	<u>113,780</u>	134,841
Fund Balance - Beginning			<u>894,511</u>
Fund Balance - Ending			<u><u>1,029,352</u></u>

SUPPLEMENTAL SCHEDULES

PALATINE PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Limited Tax Park Bonds of 2012A

December 31, 2019

Date of Issue	August 1, 2012
Date of Maturity	December 15, 2023
Authorized Issue	\$3,835,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% to 3.50%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	UMB Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2020	\$ 370,000	50,550	420,550	2020	25,275	2020	25,275
2021	380,000	37,600	417,600	2021	18,800	2021	18,800
2022	395,000	24,300	419,300	2022	12,150	2022	12,150
2023	415,000	12,450	427,450	2023	6,225	2023	6,225
	<u>1,560,000</u>	<u>124,900</u>	<u>1,684,900</u>		<u>62,450</u>		<u>62,450</u>

PALATINE PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Refunding Park Bonds of 2015C

December 31, 2019

Date of Issue	February 10, 2015
Date of Maturity	December 1, 2026
Authorized Issue	\$5,335,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	UMB Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2020	\$ 185,000	138,876	323,876	2020	69,438	2020	69,438
2021	190,000	134,250	324,250	2021	67,125	2021	67,125
2022	500,000	109,500	609,500	2022	54,750	2022	54,750
2023	525,000	117,000	642,000	2023	58,500	2023	58,500
2024	945,000	101,250	1,046,250	2024	50,625	2024	50,625
2025	970,000	63,450	1,033,450	2025	31,725	2025	31,725
2026	1,145,000	34,350	1,179,350	2026	17,175	2026	17,175
	<u>4,460,000</u>	<u>698,676</u>	<u>5,158,676</u>		<u>349,338</u>		<u>349,338</u>

PALATINE PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Refunding Park Bonds of 2015D

December 31, 2019

Date of Issue	February 10, 2015
Date of Maturity	December 1, 2027
Authorized Issue	\$4,125,000
Denomination of Bonds	\$5,000
Interest Rate	2.50% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	UMB Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2020	\$ 685,000	125,662	810,662	2020	62,831	2020	62,831
2021	705,000	105,112	810,112	2021	52,556	2021	52,556
2022	390,000	83,962	473,962	2022	41,981	2022	41,981
2023	390,000	72,262	462,262	2023	36,131	2023	36,131
2024	405,000	56,662	461,662	2024	28,331	2024	28,331
2025	415,000	46,538	461,538	2025	23,269	2025	23,269
2026	290,000	36,162	326,162	2026	18,081	2026	18,081
2027	845,000	27,462	872,462	2027	13,731	2027	13,731
	<u>4,125,000</u>	<u>553,822</u>	<u>4,678,822</u>		<u>276,911</u>		<u>276,911</u>

PALATINE PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Park Bonds of 2017

December 31, 2019

Date of Issue	March 14, 2017
Date of Maturity	December 1, 2036
Authorized Issue	\$9,000,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% to 4.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	UMB Bank

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2020	\$ —	318,500	318,500	2020	159,250	2020	159,250
2021	—	318,500	318,500	2021	159,250	2021	159,250
2022	—	318,500	318,500	2022	159,250	2022	159,250
2023	—	318,500	318,500	2023	159,250	2023	159,250
2024	—	318,500	318,500	2024	159,250	2024	159,250
2025	—	318,500	318,500	2025	159,250	2025	159,250
2026	—	318,500	318,500	2026	159,250	2026	159,250
2027	500,000	318,500	818,500	2027	159,250	2027	159,250
2028	805,000	303,500	1,108,500	2028	151,750	2028	151,750
2029	830,000	279,350	1,109,350	2029	139,675	2029	139,675
2030	855,000	254,450	1,109,450	2030	127,225	2030	127,225
2031	880,000	228,800	1,108,800	2031	114,400	2031	114,400
2032	915,000	198,000	1,113,000	2032	99,000	2032	99,000
2033	950,000	161,400	1,111,400	2033	80,700	2033	80,700
2034	990,000	123,400	1,113,400	2034	61,700	2034	61,700
2035	1,025,000	83,800	1,108,800	2035	41,900	2035	41,900
2036	1,070,000	42,800	1,112,800	2036	21,400	2036	21,400
	<u>8,820,000</u>	<u>4,223,500</u>	<u>13,043,500</u>		<u>2,111,750</u>		<u>2,111,750</u>

PALATINE PARK DISTRICT, ILLINOIS

Long-Term Debt Requirements

General Obligation Alternate Revenue Source Refunding Park Bonds of 2019A

December 31, 2019

Date of Issue	September 16, 2019
Date of Maturity	December 15, 2025
Authorized Issue	\$1,370,000
Denomination of Bonds	\$5,000
Interest Rate	1.72%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	JP Morgan Chase

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2020	\$ 215,000	29,389	244,389	2020	17,607	2020	11,782
2021	220,000	19,866	239,866	2021	9,933	2021	9,933
2022	230,000	16,082	246,082	2022	8,041	2022	8,041
2023	230,000	12,126	242,126	2023	6,063	2023	6,063
2024	235,000	8,170	243,170	2024	4,085	2024	4,085
2025	240,000	4,128	244,128	2025	2,064	2025	2,064
	<u>1,370,000</u>	<u>89,761</u>	<u>1,459,761</u>		<u>47,793</u>		<u>41,968</u>

STATISTICAL SECTION (Unaudited)

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

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

PALATINE PARK DISTRICT, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

See Following Page

PALATINE PARK DISTRICT, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	2010	2011	2012
Governmental Activities			
Net Investment in Capital Assets	\$ 39,539,037	41,976,563	46,107,767
Restricted	—	—	1,565,281
Unrestricted	30,139,805	32,005,273	28,580,222
Total Governmental Activities	<u>69,678,842</u>	<u>73,981,836</u>	<u>76,253,270</u>
Business-Type Activities			
Net Investment in Capital Assets	2,627,428	2,634,844	2,807,118
Restricted	—	—	—
Unrestricted	(612,258)	(1,069,597)	(1,441,936)
Total Business-Type Activities	<u>2,015,170</u>	<u>1,565,247</u>	<u>1,365,182</u>
Primary Government			
Net Investment in Capital Assets	42,166,465	44,611,407	48,914,885
Restricted	—	—	1,565,281
Unrestricted	29,527,547	30,935,676	27,138,286
Total Primary Government	<u>71,694,012</u>	<u>75,547,083</u>	<u>77,618,452</u>

*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	2019
46,740,117	47,260,725	52,462,909	54,283,777	60,935,864	52,666,687	48,600,674
1,470,558	1,447,791	1,963,486	3,864,641	4,151,160	6,837,787	6,930,022
30,842,969	16,817,140	13,809,478	13,027,148	3,084,860	3,244,692	7,137,875
79,053,644	65,525,656	68,235,873	71,175,566	68,171,884	62,749,166	62,668,571
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	48,600,674
1,470,558	1,447,791	1,963,486	3,864,641	4,151,160	6,837,787	6,930,022
29,103,489	15,015,192	13,809,478	13,027,148	3,084,860	3,244,692	7,137,875
80,064,981	66,895,123	68,235,873	71,175,566	68,171,884	62,749,166	62,668,571

PALATINE PARK DISTRICT, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	\$ 8,641,537	8,688,384	8,609,852	8,762,685	7,820,413	6,658,485	7,498,688	9,500,848	8,459,833	13,304,266
Culture and Recreation	7,859,340	8,511,283	8,611,089	8,615,377	9,451,670	12,235,718	13,228,014	14,912,921	18,812,094	10,553,980
Interest on Long-Term Debt	1,492,495	938,045	929,016	822,594	761,354	369,888	497,446	896,438	790,548	748,786
Total Governmental Activities Expenses	17,993,372	18,137,712	18,149,957	18,200,656	18,033,437	19,264,091	21,224,148	25,310,207	28,062,475	24,607,032
Business-type Activities										
Stables	744,533	736,108	692,366	722,976	556,434	—	—	—	—	—
Palatine Hills Golf Course	1,374,366	1,296,558	1,369,552	1,339,726	1,111,248	—	—	—	—	—
Total Business-Type Activities Expenses	2,118,899	2,032,666	2,061,918	2,062,702	1,667,682	—	—	—	—	—
Total Primary Government Expenses	20,112,271	20,170,378	20,211,875	20,263,358	19,701,119	19,264,091	21,224,148	25,310,207	28,062,475	24,607,032
Program Revenues										
Governmental Activities										
Charges for Services										
Culture and Recreation	6,708,699	6,506,634	6,361,627	6,697,103	5,336,345	7,489,710	7,649,088	7,644,765	7,967,721	8,033,299
Operating Grants	1,716	1,492	4,359	5,210	13,446	—	—	7,967,721	—	29,929
Capital Grants and Donations	—	—	—	—	—	—	—	—	—	—
Culture and Recreation	—	1,500,000	24,000	—	—	68,124	—	—	—	17,840
Total Governmental Activities Program Revenues	6,710,415	8,008,126	6,389,986	6,702,313	5,349,791	7,557,834	7,649,088	15,612,486	7,967,721	8,063,228
Business-Type Activities										
Charges for Services - Palatine Hills Golf Course	1,155,917	1,057,668	1,175,035	1,143,252	1,112,582	—	—	—	—	—
Charges for Services - Stables	691,355	602,732	764,953	649,788	639,607	—	—	—	—	—
Total Business-Type Activities Expenses	1,847,272	1,660,400	1,939,988	1,793,040	1,752,189	—	—	—	—	—
Total Primary Government Revenues	8,557,687	9,668,526	8,329,974	8,495,353	7,101,980	7,557,834	7,649,088	15,612,486	7,967,721	8,063,228

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Revenues (Expenses)										
Governmental Activities	\$ (1,282,957)	(10,129,586)	(11,759,971)	(11,498,343)	(12,683,646)	(11,706,257)	(13,575,060)	(9,697,721)	(20,094,754)	(16,525,964)
Business-Type Activities	(271,627)	(372,266)	(121,930)	(269,662)	84,507	—	—	—	—	—
Total Primary Government Net Revenues (Expenses)	(11,554,584)	(10,501,852)	(11,881,901)	(11,768,005)	(12,599,139)	(11,706,257)	(13,575,060)	(9,697,721)	(20,094,754)	(16,525,964)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	12,524,102	12,829,150	12,719,316	12,673,433	13,174,627	13,472,658	13,782,432	14,153,383	14,436,921	14,754,715
Replacement	161,140	141,998	142,259	157,706	162,340	153,147	153,339	198,571	148,461	165,033
Other	186,249	238,736	219,165	130,313	—	—	—	—	—	—
Intergovernmental - Unrestricted	—	—	—	—	—	—	48,871	52,100	132,218	214,211
Investment Income	166,384	75,269	49,220	54,438	(218,258)	68,355	158,852	230,015	317,785	337,324
Miscellaneous	820,931	1,068,427	822,445	713,190	(436,546)	1,308,644	969,899	331,412	321,741	502,616
Gain (Loss) on Disposal of Capital Assets	—	—	—	—	—	—	—	—	—	—
Transfers	79,010	79,000	79,000	84,446	(277,048)	1,210,034	—	—	—	—
Total Governmental Activities	13,937,816	14,432,580	14,031,405	13,813,526	12,405,115	16,212,838	15,113,393	14,965,481	15,357,126	15,973,899
Business-Type Activities										
Investment Income	1,713	1,343	865	263	382	—	—	—	—	—
Miscellaneous	—	—	—	—	17,616	—	—	—	—	—
Transfers	(79,010)	(79,000)	(79,000)	(84,446)	318,280	(1,210,034)	—	—	—	—
Total Business-Type Activities	(77,297)	(77,657)	(78,135)	(84,183)	336,278	(1,210,034)	—	—	—	—
Total Primary Government	13,860,519	14,354,923	13,953,270	13,729,343	12,741,393	15,002,804	15,113,393	14,965,481	15,357,126	15,973,899
Changes in Net Position										
Governmental Activities	2,654,859	4,302,994	2,271,434	2,315,183	(278,531)	4,506,581	1,538,333	5,267,760	(4,737,628)	(552,065)
Business-Type Activities	(348,924)	(449,923)	(200,065)	(353,845)	420,785	(1,210,034)	—	—	—	—
Total Primary Government Changes in Net Position	2,305,935	3,853,071	2,071,369	1,961,338	142,254	3,296,547	1,538,333	5,267,760	(4,737,628)	(552,065)

Data Source: Audited Financial Statements

PALATINE PARK DISTRICT, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	2010	2011	2012
General Fund			
Unreserved	\$ 11,443,558	—	—
Nonspendable			
Advances	—	—	—
Prepaid Items	—	88,661	59,401
Restricted	—	—	—
Unassigned	—	10,978,567	8,603,784
Total General Fund	<u>11,443,558</u>	<u>11,067,228</u>	<u>8,663,185</u>
All Other Governmental Funds			
Unreserved, Reported in			
Recreation Fund	4,774,908	—	—
Other Special Revenue Funds	1,292,522	—	—
Debt Service Fund	174,003	—	—
Capital Project Fund	75,991	—	—
Permanent Fund	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			
Capital Projects	—	—	—
Special Revenue	—	—	—
Total All Other Governmental Funds	<u>6,493,145</u>	<u>7,124,603</u>	<u>7,423,893</u>
 Total All Governmental Funds	 <u>17,936,703</u>	 <u>18,191,831</u>	 <u>16,087,078</u>

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	2019
—	—	—	—	—	—	—
—	29,848	—	—	—	—	—
29,848	44,244	141,888	150,112	151,578	195,261	150,302
—	—	1,421,561	2,656,694	2,656,694	5,348,446	5,348,446
9,673,445	9,192,963	6,230,125	5,101,343	5,880,326	4,064,722	5,904,319
9,703,293	9,267,055	7,793,574	7,908,149	8,688,598	9,608,429	11,403,067
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
175,721	175,721	—	—	—	—	—
—	—	—	6,117	6,030	7,971	5,859
—	—	4,321	—	20,717	24,767	135
477,877	516,143	—	—	—	—	—
13,918	13,919	—	—	—	—	—
41,363	35,785	11,797	35,990	35,990	101,488	101,488
173,541	265,261	309,347	379,259	665,777	894,511	1,029,352
230,391	207,795	220,781	792,698	792,699	493,342	508,277
—	—	—	—	—	—	—
411,930	408,888	—	—	—	—	—
6,505,603	7,328,638	4,011,220	4,719,787	6,456,295	6,693,130	6,798,477
64,319	62,318	5,637,160	4,575,341	8,307,846	2,202,968	—
—	—	—	—	—	—	(2,271,291)
—	(213,829)	—	—	—	—	—
8,094,663	8,800,639	10,194,626	10,509,192	16,285,354	10,418,177	6,172,297
17,797,956	18,067,694	17,988,200	18,417,341	24,973,952	20,026,606	17,575,364

PALATINE PARK DISTRICT, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2019 (Unaudited)

	2010	2011	2012
Revenues			
Taxes	\$ 12,522,352	12,742,807	12,787,747
Charges for Services	4,953,809	5,243,845	4,891,805
Intergovernmental	—	—	—
Investment Income	166,061	75,169	49,163
Donations and Grants	1,716	4,214	9,803
Miscellaneous	830,912	1,449,223	914,868
Total Revenues	<u>18,474,850</u>	<u>19,515,258</u>	<u>18,653,386</u>
Expenditures			
General Government	7,855,438	8,156,214	8,402,736
Culture and Recreation	5,529,241	6,042,612	5,737,524
Capital Outlay	2,166,892	6,222,336	4,786,777
Debt Service			
Principal Retirement	1,351,500	1,645,000	1,432,000
Interest and Fiscal Charges	911,171	912,970	885,207
Bond Issuance Costs	—	—	72,450
Total Expenditures	<u>17,814,242</u>	<u>22,979,132</u>	<u>21,316,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>660,608</u>	<u>(3,463,874)</u>	<u>(2,663,308)</u>
Other Financing Sources (Uses)			
Bonds Issued	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	996,760	934,525	913,525
Transfers (Out)	(917,750)	(855,525)	(834,525)
Prior Period Adjustment	—	—	—
	<u>675,510</u>	<u>3,719,000</u>	<u>540,053</u>
Net Change in Fund Balances	<u>1,336,118</u>	<u>255,126</u>	<u>(2,123,255)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>14.55%</u>	<u>12.53%</u>	<u>12.24%</u>

Date Source: Audited Financial Statements

2013	2014	2015	2016	2017	2018	2019
12,936,055	13,349,747	13,625,805	13,935,771	14,351,954	14,585,382	14,919,748
5,482,631	5,336,345	7,489,710	7,649,088	7,644,765	7,967,721	8,171,173
—	142,170	278,249	48,871	52,100	132,218	261,980
31,441	59,074	68,355	158,852	230,015	317,785	337,324
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	502,616
19,304,755	19,799,586	22,956,200	22,906,025	22,760,697	23,459,600	24,192,841
7,959,871	7,530,986	6,365,098	6,621,142	7,267,025	7,643,891	7,461,781
5,915,404	7,269,344	10,451,643	10,884,555	10,200,668	10,800,490	11,782,544
1,906,834	2,534,086	3,057,789	3,159,482	5,746,216	7,835,827	5,744,775
1,487,000	1,522,000	2,146,000	1,315,000	1,320,000	1,360,000	1,395,000
824,502	785,270	452,302	491,902	672,431	756,675	740,009
3,200	2,100	180,339	4,803	179,689	10,063	6,444
18,096,811	19,643,786	22,653,171	22,476,884	25,386,029	28,406,946	27,124,109
1,207,944	155,800	303,029	429,141	(2,625,332)	(4,947,346)	(2,931,268)
437,000	437,000	—	—	8,820,000	—	1,370,000
—	—	12,736,000	—	—	—	—
—	—	(12,292,572)	—	—	—	(1,355,000)
—	—	482,911	—	—	—	—
1,060,096	1,037,501	8,000,000	1,000,000	361,943	1,836,915	2,521,224
(975,650)	(1,355,781)	(9,891,961)	(1,000,000)	—	(1,836,915)	(2,521,224)
—	1,430,466	—	—	—	—	—
521,446	1,549,186	(965,622)	—	9,181,943	—	15,000
1,729,390	1,704,986	(662,593)	429,141	6,556,611	(4,947,346)	(2,916,268)
14.65%	13.31%	12.91%	9.16%	8.58%	7.92%	8.99%

PALATINE PARK DISTRICT, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Tax Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property
2010	2009	\$ 2,260,933,129	\$ 67,771	\$ 525,467,515	\$ 201,592,110
2011	2010	2,019,366,886	67,771	474,051,248	192,420,558
2012	2011	1,860,974,321	68,957	399,931,069	172,471,167
2013	2012	1,725,669,045	68,957	377,934,133	157,286,406
2014	2013	1,464,854,826	67,771	348,365,837	143,412,993
2015	2014	1,557,510,142	81,343	329,548,273	74,379,246
2016	2015	1,532,184,548	59,646	324,973,700	70,249,308
2017	2016	1,779,943,615	92,960	195,146,396	266,287,544
2018	2017	1,838,237,061	44,188	322,563,375	79,275,446
2019	2018	1,787,308,768	44,188	315,151,328	77,394,051

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. 2019 not yet available.

Data Source: Office of the County Clerk

Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Percent Of Assessed Value
\$ 1,038,059	\$ 2,989,098,584	0.4078	\$ 8,967,295,752	33.33 %
1,297,420	2,687,203,883	0.4675	8,061,611,649	33.33 %
1,378,528	2,434,824,042	0.5164	7,304,472,126	33.33 %
1,559,216	2,262,517,757	0.5733	6,787,553,271	33.33 %
1,925,753	1,958,627,180	0.6795	5,875,881,540	33.33 %
1,988,857	1,963,507,861	0.6959	5,890,523,583	33.33 %
2,410,632	1,929,877,834	0.7242	5,789,633,502	33.33 %
2,452,774	2,243,923,289	0.6472	6,731,769,867	33.33 %
2,502,402	2,242,622,472	0.6568	6,727,867,416	33.33 %
2,688,737	2,182,587,072	0.6922	6,547,761,216	33.33 %

PALATINE PARK DISTRICT, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	2009	2010	2011
District			
General	0.2091	0.2396	0.2705
Liability Insurance	0.0100	0.0112	0.0105
Audit	0.0006	0.0005	0.0006
Recreation	0.0784	0.0887	0.0975
Museum	0.0035	0.0039	0.0044
Special Recreation	0.0158	0.0186	0.0216
Bond and Interest	0.0575	0.0657	0.0638
Retirement	0.0329	0.0393	0.0475
	<hr/> 0.4078	<hr/> 0.4675	<hr/> 0.5164
Cook County including Forest Preserve	0.4430	0.4740	0.5200
Township	0.0340	0.0390	0.0440
Palatine Road and Bridge Fund	0.0610	0.1000	0.0790
Palatine TWP General Assistance	0.0080	0.0100	0.0120
Metropolitan Water Reclamation District	0.2610	0.2740	0.3200
Library District	0.2290	0.1980	0.2220
Schools (Districts #15, #211 and Harper College)	4.4810	5.1020	5.7590
Village	0.8820	1.0220	1.1210
All Others	0.0080	0.0090	0.0350
	<hr/> 6.815	<hr/> 7.696	<hr/> 8.628

Data Source: Office of the County Clerk

2012	2013	2014	2015	2016	2017	2018
0.3068	0.3500	0.2624	0.2830	0.2600	0.2763	0.2966
0.0113	0.0184	0.0221	0.0238	0.0219	0.0233	0.0250
0.0006	0.0007	0.0010	0.0011	0.0010	0.0011	0.0012
0.1054	0.1314	0.2202	0.2167	0.1701	0.1627	0.1641
0.0047	0.0055	0.0033	0.0036	0.0033	0.0035	0.0038
0.0244	0.0308	0.0290	0.0400	0.0346	0.0367	0.0392
0.0686	0.0818	0.0961	0.0893	0.0950	0.0881	0.0924
0.0515	0.0609	0.0618	0.0667	0.0613	0.0651	0.0699
0.5733	0.6795	0.6959	0.7242	0.6472	0.6568	0.6922
0.5940	0.6290	0.6370	0.6550	0.5960	0.5580	0.5490
0.0490	0.0580	0.0590	0.0630	0.0540	0.0550	0.0590
0.0820	0.0920	0.0900	0.0920	0.0790	0.0780	0.0800
0.0140	0.0170	0.0170	0.0180	0.0120	0.0100	0.0070
0.3700	0.4170	0.4300	0.4260	0.4060	0.4020	0.3960
0.2480	0.2930	0.2950	0.3080	0.2680	0.2760	0.2910
6.4140	7.4900	7.5320	7.8100	6.8300	6.9650	7.2940
1.2000	1.3900	1.3680	1.4060	1.2120	1.2490	1.2960
0.0110	0.0440	0.0320	0.0110	0.0100	0.0410	0.0110
9.5553	11.1095	11.1559	11.5132	10.1142	10.2908	10.6752

PALATINE PARK DISTRICT, ILLINOIS

**Principal Property Tax Payers - Prior Fiscal Year and Nine Fiscal Years Ago
December 31, 2019 (Unaudited)**

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Weber Stephen Prod, LLC	\$ 19,423,853	1	0.89%	N/A	N/A	N/A
F&F Realtt Ltd	17,232,548	2	0.79%	N/A	N/A	N/A
Deer Grove Centre	16,275,051	3	0.75%	N/A	N/A	N/A
Walmart	13,463,416	4	0.62%	N/A	N/A	N/A
A Bourbon Square Assoc LLC	12,515,071	5	0.57%	N/A	N/A	N/A
First American Prop	12,496,956	6	0.57%	N/A	N/A	N/A
United Parcel Service	12,205,919	7	0.56%	N/A	N/A	N/A
CSC Palatine Apartments	9,962,942	8	0.46%	N/A	N/A	N/A
Tree House Venture II	9,535,395	9	0.44%	N/A	N/A	N/A
Arlington Toyota	9,200,415	10	0.42%	N/A	N/A	N/A
	<u>132,311,566</u>		<u>6.07%</u>	<u>N/A</u>		<u>N/A</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.

N/A - Not Available

Data Source: Office of the County Clerk

PALATINE PARK DISTRICT, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2010	2009	\$ 12,190,406	\$ 11,872,112	97.39%	\$ 202,282	\$ 12,074,394	99.05%
2011	2010	12,564,620	12,388,326	98.60%	130,747	12,519,073	99.64%
2012	2011	12,572,159	12,460,414	99.11%	36,901	12,497,315	99.40%
2013	2012	12,969,872	12,914,388	99.57%	3,704	12,918,092	99.60%
2014	2013	13,309,809	13,036,338	97.95%	259,424	13,295,762	99.89%
2015	2014	13,797,315	13,584,404	98.46%	191,542	13,775,946	99.85%
2016	2015	13,978,177	13,819,106	98.86%	8,490	13,827,596	98.92%
2017	2016	14,522,672	14,239,332	98.05%	113,996	14,353,328	98.83%
2018	2017	14,692,219	14,532,294	98.91%	58,299	14,590,593	99.31%
2019	2018	15,107,585	14,758,006	97.69%	—	14,758,006	97.69%

Data Source: Office of the County Clerk

PALATINE PARK DISTRICT, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	General Obligation Bonds	Total Primary Government	Percentage of Personal Income*	Per Capita *
2010	\$ 19,035,000	\$ 19,035,000	0.64%	\$ 229.34
2011	21,030,000	21,030,000	0.71%	253.37
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	17,959,163	0.60%	216.38
2015	17,488,833	17,488,833	0.59%	210.71
2016	16,134,534	16,134,534	0.54%	194.39
2017	23,949,508	23,949,508	0.75%	288.55
2018	22,541,110	22,541,110	0.71%	271.58
2019	21,111,650	21,111,650	0.67%	254.36

* See the Schedule of Demographic and Economic Information for personal income and population data.

PALATINE PARK DISTRICT, ILLINOIS

Ratio of Net General Obligation Debt to Equalized Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Fiscal Years

December 31, 2019 (Unaudited)

Fiscal Year	General Obligations Bonds	Less Amounts Available for Debt Service	Totals	Percentage of Actual Taxable Value of Property *	Per Capita**
2010	\$ 19,035,000	\$ 174,003	\$ 18,860,997	0.63 %	\$ 227.24
2011	21,030,000	197,581	20,832,419	0.78 %	250.99
2012	19,885,000	226,994	19,658,006	0.81 %	236.84
2013	18,835,000	230,391	18,604,609	0.82 %	224.15
2014	17,959,163	207,795	17,751,368	0.91 %	213.87
2015	17,488,833	214,821	17,274,012	0.88 %	208.12
2016	16,134,534	792,698	15,341,836	0.79 %	184.84
2017	23,949,508	792,699	23,156,809	1.03 %	279.00
2018	22,541,110	493,342	22,047,768	0.98 %	265.64
2019	21,111,650	450,736	20,660,914	0.95 %	248.93

*See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

**See the Schedule of Demographic and Economic Information for personal income and population data.

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

PALATINE PARK DISTRICT, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
December 31, 2019 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to the District*	District's Share of Debt
Palatine Park District	\$ 21,111,650	100.00%	21,111,650
Overlapping Debt			
Cook County	2,803,851,751	1.45%	40,655,850
Cook County Forest Preserve	131,050,000	1.45%	1,900,225
Village of Schaumburg	286,055,000	3.19%	9,125,155
Metropolitan Water Reclamation District	2,765,549,316	1.48%	40,930,130
City of Rolling Meadows	31,273,805	17.01%	5,319,674
Village of Palatine SSA #5	5,260,000	100.00%	5,260,000
The Village of Palatine	51,530,000	95.22%	49,066,866
School District #220	10,000,000	0.34%	34,000
School District #15	33,126,707	62.79%	20,800,259
Arlington Heights	56,055,000	0.78%	437,229
Hoffman Estates	93,510,000	4.54%	4,245,354
Inverness	3,040,000	18.04%	548,416
Community College District #512	103,580,000	11.55%	11,963,490
Total Overlapping Debt	<u>6,373,881,579</u>		<u>190,286,648</u>
Total Direct and Overlapping Debt	<u><u>6,394,993,229</u></u>		<u><u>211,398,298</u></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 of Local Government Entity.

PALATINE PARK DISTRICT, ILLINOIS

**Legal Debt Margin - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

See Following Page

PALATINE PARK DISTRICT, ILLINOIS

**Legal Debt Margin - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	2010	2011	2012	2013
Equalized Assessed Valuation	\$ 2,989,098,584	2,687,203,683	2,434,824,042	2,362,517,757
Bonded Debt Limit - 2.875% of Assessed Value	85,936,584	77,257,106	70,001,191	67,922,386
Total Net Debt Applicable to Limit	12,510,000	11,880,000	11,560,000	11,001,000
Legal Debt Margin	73,426,584	65,377,106	58,441,191	56,921,386
Total Debt Applicable to the Limit as a Percentage of Debt Limit	17.04%	18.17%	19.78%	19.33%
Non-Referendum Legal Debt Limit - .575% of Assessed Value	17,187,317	15,451,421	14,000,238	13,584,477
Amount of Debt Applicable to Limit	12,510,000	11,880,000	11,560,000	11,001,000
Legal Debt Margin	4,677,317	3,571,421	2,440,238	2,583,477
Percentage of Legal Debt Margin to Bonded Debt Limit	37.39%	30.06%	21.11%	23.48%

Data Source: District Records

2014	2015	2016	2017	2018	2019
1,958,627,179	1,963,507,861	1,929,877,834	2,243,923,289	2,242,622,472	2,182,587,072
56,310,531	56,450,851	55,483,988	64,512,795	64,475,396	62,749,378
9,895,000	9,375,000	8,495,000	6,355,000	6,025,000	5,685,000
46,415,531	47,075,851	46,988,988	58,157,795	58,450,396	57,064,378
21.32%	19.91%	18.08%	10.93%	10.31%	9.96%
11,262,106	11,290,170	11,096,798	12,902,559	12,895,079	12,549,876
9,895,000	9,375,000	8,495,000	6,355,000	6,025,000	5,685,000
1,367,106	1,915,170	2,601,798	6,547,559	6,870,079	6,864,876
13.82%	20.43%	30.63%	103.03%	114.03%	120.75%

PALATINE PARK DISTRICT, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2019	83,000	3,172,343,000	42,183	2.90%

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

PALATINE PARK DISTRICT, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2019 (Unaudited)**

Employer	2019			2010		
	Number of Employees	Rank	% of Total District Population	Number of Employees	Rank	% of Total District Population
Northrop Grumman Corp.	1,900	1	2.29%	N/A		N/A
Harper College	840	2	1.01%	700	1	0.88%
Arthur J Gallagher	825	3	0.99%	N/A		N/A
Gallagher-Bassett Services	675	4	0.81%	N/A		N/A
United Parcel Services	500	5	0.60%	N/A		N/A
Newport Industries, Inc.	500	6	0.60%	N/A		N/A
CareerBuilder Employment Screening	450	7	0.54%	N/A		N/A
Komatsu America Corp.	320	8	0.39%	N/A		N/A
Village of Palatine	300	9	0.36%	N/A		N/A
LeasePlan U.S.A.	275	10	0.33%	N/A		N/A
Icon, Inc.	275	11	0.33%	N/A		N/A
RTC Industries, Inc.	220	12	0.27%	N/A		N/A
Weber-Stephen Products Co.	200	13	0.24%	200	4	0.25%
Panasonic Factory Solutions Co.	175	14	0.21%	N/A		N/A
Canon Medical Systems, Inc.	170	15	0.20%	N/A		N/A
Methode Electronics-Power Solutions Group	168	16	0.20%	N/A		N/A
TNOW Entertainment Group, Inc.	163	17	0.20%	N/A		N/A
Clean Air Engineering, Inc.	150	18	0.18%	100	10	0.13%
The Intec Group, Inc.	150	19	0.18%	150	6	0.19%
Bear Construction Co.	150	20	0.18%	N/A		N/A
	<u>8,406</u>		<u>10.11%</u>	<u>1,150</u>		<u>1.45%</u>
Total Population			<u>83,000</u>			<u>79,680</u>

N/A - Not Available

Data Source: Village of Palatine

PALATINE PARK DISTRICT, ILLINOIS

**Full-Time Equivalent District Employees by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administration	21	22	24	23	24	24	24	29	28	27
Parks	43	42	45	42	41	40	40	39	37	37
Recreation	118	120	121	114	118	124	124	129	132	135
Palatine Stables	11	12	11	10	10	10	10	10	10	10
Palatine Hills Golf Course	19	19	20	18	17	18	17	16	15	15
	<u>212</u>	<u>215</u>	<u>221</u>	<u>207</u>	<u>210</u>	<u>216</u>	<u>215</u>	<u>223</u>	<u>222</u>	<u>224</u>

Data Source: District Finance Office

Note: FTE is calculated by taking number of hours per area divided by 2,080.

PALATINE PARK DISTRICT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

See Following Page

PALATINE PARK DISTRICT, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	2010	2011	2012
Fitness Center Memberships	1,465	1,319	1,280
Swimming Pool Visits	128,071	123,478	126,826
Pool Pases Sold	2,153	1,981	1,998
Golf Rounds Played	36,297	31,991	36,478
Camp Participants	1,716	1,699	1,763
Stables Lessons/Camps	541	397	391
Before and After School Care	408	409	402
Preschool Participants	169	158	181
Volunteers	N/A	N/A	N/A
Background Checks Run	N/A	N/A	N/A

N/A - Not Applicable

Data Source: Various District Departments

2013	2014	2015	2016	2017	2018	2019
1,185	1,186	1,203	1,476	1,218	1,004	1,088
89,539	85,087	91,554	101,877	98,587	100,068	91,036
1,667	1,454	1,344	1,359	1,416	1,496	1,416
34,989	33,340	35,440	34,132	30,482	28,580	28,040
1,690	1,627	1,576	3,243	3,263	3,276	3,022
446	442	481	601	704	714	763
411	512	665	664	630	635	660
232	214	137	139	140	136	140
N/A	N/A	208	250	560	750	404
N/A	N/A	204	612	560	720	661

PALATINE PARK DISTRICT, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	2010	2011	2012
Parks and Facilities			
Parks/Natural Areas			
Number	53	53	54
Acres	729.75	731.36	743.15
Facilities			
Play Equipment	29	29	29
Swimming Facilities	4	3	3
Recreation Centers	3	3	3
Outdoor Skating	1	2	2
18 Hole Golf Course	1	1	1
Football Fields	4	4	4
Ball Diamonds	24	24	24
Soccer Fields	24	24	24
Outdoor Tennis Courts	16	16	16
Picnic Areas	27	27	27
Walking, Jogging and Bike Trails	1	1	1
Volleyball Courts	3	3	3
Basketball Courts	4 full/3 half	4 full/3 half	4 full/3 half
Shelters	21	21	21
Stables	1	1	1
Theaters	1	1	1
Amphitheaters	1	1	1
Pickle Ball Courts	N/A	N/A	N/A
18 Hole Disc Golf Course	N/A	N/A	N/A
Fishing Pier	N/A	N/A	N/A
Skate Park	N/A	N/A	N/A
Dog Park	N/A	N/A	N/A

N/A - Not Applicable

Data Source: Parks Department

2013	2014	2015	2016	2017	2018	2019
54	54	54	55	55	55	55
743.78	743.78	743.78	734.20	735.20	735.20	735.20
29	29	29	29	29	30	30
3	3	3	3	3	3	3
3	3	3	3	3	3	3
2	2	2	2	2	2	1
1	1	1	1	1	1	1
4	4	4	4	4	4	4
24	24	24	24	24	24	24
24	24	24	24	24	24	24
16	14	14	14	14	6	6
27	27	27	27	27	27	27
1	1	1	1	1	1	6
3	3	3	3	3	4	4
4 full/3 half	4 full/3 half	4 full/3 half	3 full/3 half	3 full/3 half	3 full/3 half	3 full/3 half
24	24	24	24	24	21	21
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
N/A	N/A	4	4	4	4	4
N/A	N/A	1	1	1	1	1
N/A	N/A	1	1	1	1	1
N/A	N/A	1	1	1	1	1
N/A	N/A	N/A	1	1	1	1