

2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR JANUARY 1–DECEMBER 31, 2019

PREPARED BY: FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER



ROCKFORD PARK DISTRICT

Rockford, Illinois

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2019

Prepared by:
Penny Christians, Chief Financial Officer

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ROCKFORD, ILLINOIS
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ROCKFORD, ILLINOIS
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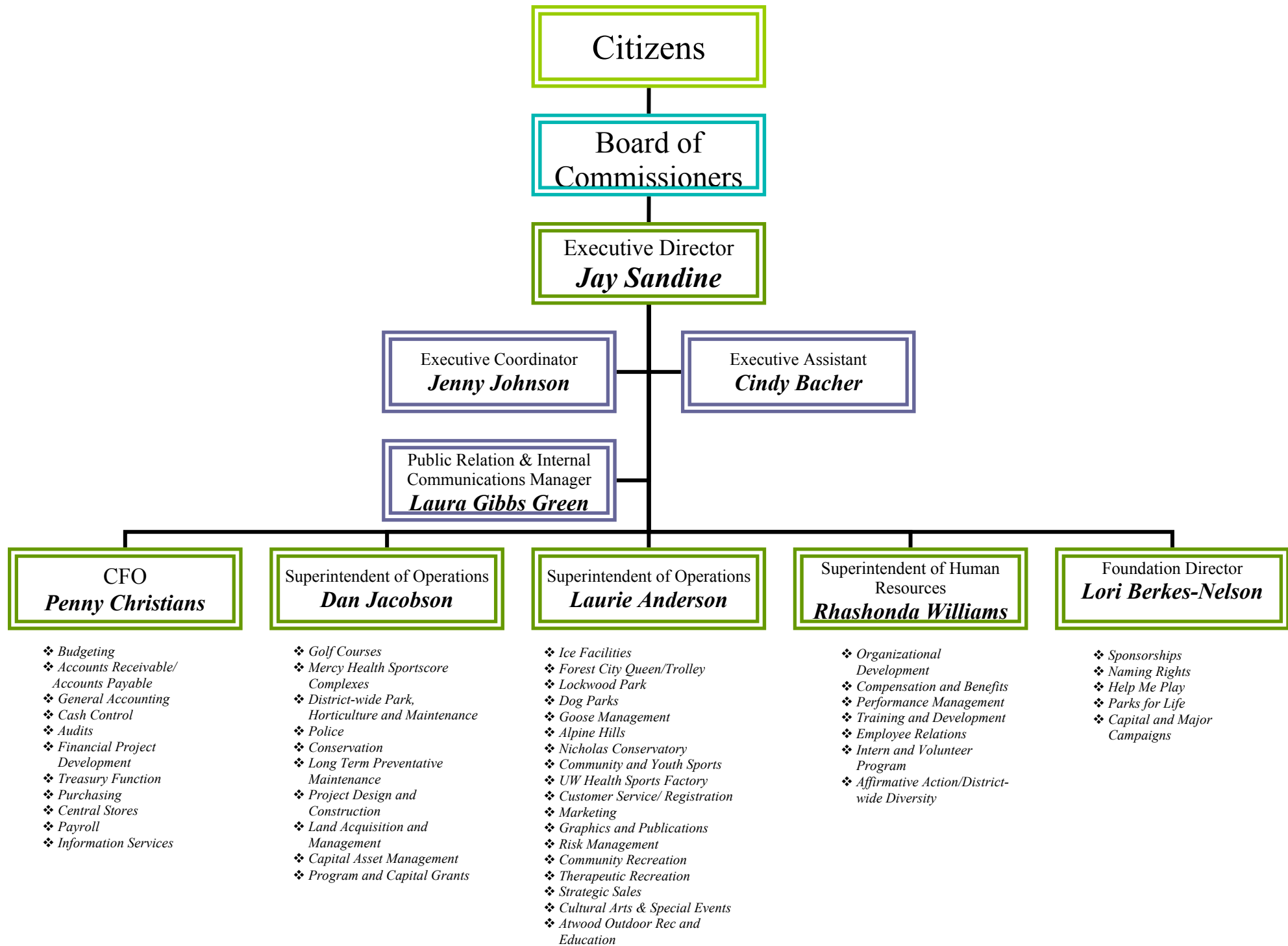
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INTRODUCTORY SECTION

Officials and Officers
2019
Board of Commissioners

Ian K. Linnabary – President
Scott Olson – Vice President
Jack L. Armstrong – Secretary
Julianne C. Elliott
Tyler Smith

Jay Sandine – Executive Director
Penny Christians – Chief Financial Officer





Government Finance Officers Association

Certificate of
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Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO



ROCKFORD PARK DISTRICT

The mission of the Rockford Park District is to **HELP PEOPLE ENJOY LIFE**

April 17, 2020

To: The Citizens of the Rockford Park District

The Comprehensive Annual Financial Report of the Rockford Park District (the District) for the year ended December 31, 2019, is submitted herewith. This report was prepared by the District's Financial Services Team. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. The District has established a comprehensive framework of internal controls to ensure District assets are protected from loss, theft or misuse. The costs of these internal control measures do not outweigh the benefits and therefore result in financial statements that provide reasonable, rather than absolute, assurance they are free from material misstatements. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the District's financial affairs have been included.

The District's financial statements are required by "an act in relation to audits of the accounts of certain governmental units" to be audited annually by a licensed public accountant. The District's financial statements were audited in accordance with said "act" by the accounting firm of Sikich LLP. The firm has issued an unmodified ("clean") opinion of the Rockford Park District's basic financial statements for the year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this report.

This report also includes the operations of the Rockford Park District Foundation, which is reported as a discretely presented component unit. The Foundation is a nonprofit entity operated in conjunction with and for the benefit of the District.

We encourage readers to consider the information presented here in conjunction with additional information we have furnished in the management discussion and analysis, which can be found in the financial section of this report. In the financial section, all amounts are presented in whole dollars unless indicated otherwise.

Profile of the Government

There are opportunities for all citizens to enjoy the District's services in some aspect, as there is programming to address the needs and desires of children, adults, and persons of all ages with disabilities. The District provides safety and security at the parks and recreation facilities through the efforts of the Rockford Park District Police Department.



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Serving the Communities of Cherry Valley, Loves Park, New Milford, Rockford, and unincorporated areas of Winnebago and Boone Counties

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The District maintains budgetary controls to ensure compliance with legal provisions embodied in the Annual Appropriated Budget approved by the District's Board of Commissioners. Activities of all District funds except the Working Cash Fund are included in the Annual Appropriated Budget. The Rockford Park District Foundation does prepare and approve an annual budget under the governance of the Rockford Park District Foundation Board of Directors as a best practice. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established by object class within each fund.

Local Economy

The Rockford Park District is located in the northernmost tier of Illinois counties. Rockford, the fifth largest city in Illinois, is 65 miles northwest of Chicago's O'Hare International Airport and 17 miles south of the Wisconsin border and has great access to major road and rail systems. Rockford is part of the Rockford Metropolitan Statistical Area (MSA), which includes Boone, Ogle, and Winnebago Counties.

The Rockford-based Chicago Rockford International Airport is a top 25 US cargo airport and is home to the largest regional UPS parcel sorting facility in the system. Rockford's history includes its rise to national prominence in furniture manufacturing. At one time no less than 25 firms were located in the region, making it the second largest cluster in the US. Rockford was also a center of excellence for farm implement manufacturing. The combination of these industries allowed Rockford to diversify into machine tools, heavy machinery, automotive, aerospace, fasteners, cabinet hardware, packaging devices, and toys. The Rockford Region is considered an excellent location for logistics services, warehouses and distribution centers, aerospace and on-and-off road vehicles manufacturing, industrial machinery, and metals manufacturing, as well as back office operations/call centers, professional business services, food processing, and chemicals manufacturing.

The employment outlook for the region improved slightly from the previous year. The Illinois Department of Employment Security reports the average unemployment rate in 2018 for the Rockford MSA improved slightly from 6.6% in 2017 to 5.4% in 2018. The Rockford MSA unemployment rate is still above the average 2018 state unemployment rate of 4.3%. The largest employment sectors are manufacturing and healthcare.

The District is mindful of the economic climate of the area and makes every effort to keep fees low for citizens. The District's taxing capability is also limited as it is subject to the Property Tax Extension Limitation Law (PTELL) act. PTELL limits the sale of non-referendum general obligation bonds as well as limits increases in equalized assessed valuation to the Consumer Price Index plus real growth. After years of continued decline in the equalized assessed valuation of property, the area seems to have turned the corner, seeing stabilization in values.

The population served by the District is diverse, but aging. Education levels continue to trail the nation for bachelor's and professional degrees, creating a lack of access to professional workers in the area and higher education is a focus for workforce development initiatives. A new partnership between Northern Illinois University and Rock Valley College will allow students to earn a Bachelor's Degree in Mechanical Engineering or Applied Manufacturing Technology

while staying in Rockford. The University of Illinois Medical School is also adding 50 new first-year students to their Rockford Campus and OSF Healthcare has partnered with Rock Valley College for a new 4-year nursing degree program. The new maintenance, repair, and overhaul facility at the Chicago Rockford International Airport has resulted in Rock Valley College expanding their Aviation Maintenance Technology program.

As the economy and demographics continue to change, the District Board and staff remain dedicated to maintaining the quality of life services needed to help all citizens enjoy life and take pride in their community as a great place to live, work, learn, play, and visit.

Long-Term Financial Planning

The Rockford Park District consults with a financial advisor to ensure its debt structure remains in compliance with statutory requirements, while also strategically leveraging debt to maximize the use of District funds. Under current state statutes, the District's total debt is subject to a legal limitation based on 2.875% of total assessed value of real property. Included in the total general obligation bonds outstanding are general obligation bonds supported by real estate tax revenues. These bonds are limited to .575% of total assessed value of real property unless approved via referendum.

Senior management staff continually work on planning for long-term financial sustainability. This includes annual updates of the three-year financial forecast for operating and capital funds. The District completed a comprehensive master planning process in 2018, which was utilized to create a five year strategic plan for operations and facilities. There is further discussion later in this document under Major Initiatives.

Additionally, the District continues to refine and expand the application of the cost recovery model originally developed in 2013. This model identifies the percent of each program's cost to be funded by support from taxes, if any, and patron fees for all programs offered throughout the District. This model has provided a basis for improved budgeting and financial analysis of existing programs, strategic addition of new programs, and elimination of programs not meeting financial and service objectives.

The District also puts significant efforts toward identifying new alternative revenues, such as sponsorships, endowments, and naming rights.

Relevant Financial Policies

The District regularly reviews its financial policies to ensure compliance. A fund balance policy was established to comply with required standards outlined in the Governmental Accounting Standards Board Statement 54. The Board's policy is to have a fund balance in the operating funds between 47.5 and 52.5 percent of the estimated tax collections for those funds for the coming year. The Park District is compliant with this policy.

Major Initiatives

Multi Year Priority Projects

The District utilized a community-led master plan process in 2018 to determine what services or areas the District should set as priorities and determine the desired allocation of taxpayer dollars. The process included holding seven community engagement sessions, a recreational needs assessment survey, social media interaction, and feedback from an Operations Advisory Committee. The Committee consisted of seven members of the community with various areas of professional expertise who toured facilities, met with staff, reviewed policies, asked questions and made recommendations. Staff also engaged with dozens of neighborhood groups and other organizations to educate them about the history and financial realities facing the District.

The following question was asked of our citizens in the recreational needs assessment: “If an additional \$100 were available, how would you allocate those funds?” Our community’s answers reinforced our beliefs on the direction the Park District should be heading; prioritizing resources for neighborhood parks/playgrounds, youth programs, open space/trails/rec paths, arts & cultural programming, swimming, and outdoor education/recreation. Other services the District provides, such as ice rinks, sports facilities, golf, conservatory/gardens, special events, and adventure activities were considered secondary to those listed above.

As a result, the following will be the major initiatives and focus of the District in the coming years:

Playgrounds/Parks The District has approximately 65 playgrounds which need to be replaced, as they are beyond their useful life (15 years). The playgrounds within the Rockford Park District are places where children grow physically and socially, and develop creativity and imagination. Parks and playgrounds were rated the top priority by citizens in our strategic plan engagement sessions and surveys. The Foundation is actively fundraising for this effort.

Youth The Park District recognizes the importance of investing in our community youth to build lifelong leisure skills and provide opportunities for character development and safe places to play with positive role models and staff. Youth engaged in our programs are more likely to stay out of trouble, which deters youth crime. Furthermore, the leadership skills developed in our programs assist youth as they enter the workforce. In fact, the Park District is one of the top “first job” employers in the area. At a time when the District continues to face budget cuts, fundraising efforts are critical for these programs. Many youth may not have the money needed to participate in these programs, so the Foundation has an established fund called “Help Me Play,” which provides financial assistance for registrations. The fund also helps the District with playground programming. This will be a priority for fundraising efforts.

Silent Sports The plan for Atwood Park Silent Sports includes the development of 20 miles of purposeful and sustainable multi-use trails, as well as a trailhead. A silent sports facility includes activities such as mountain biking, hiking, trail running, cross-country skiing, snowshoeing, wildlife observation, and fat biking. The master plan, which focuses on sustainability, utilizes existing trails, closes unnecessary trails, and improves the trail system connectivity for all users.

The District collaborated with the Silent Sports Friends Group to pursue fundraising efforts to minimize the reliance on tax dollars. The plan is to complete the project in phases, coinciding with fundraising efforts. One hundred percent of the \$464,000 needed to complete phase one of the project was raised, and construction was completed in 2019. This phase included a 3.3 mile contour flow trail for hikers and bikers (intermediate), a 1.3 mile natural surface trail for hikers and bikers (beginner), and initial development of the trailhead and parking area. In addition, an endowment of \$1.9 million was donated to maintain Atwood Park, which includes the Silent Sports Trails.

Future plans include the development of a bike park at Alpine Hills Adventure Park. A bike park is a non-motorized, bike specific recreational facility that contains progressive-based elements for skill building and recreation. The terrain and purpose of Alpine Hills Adventure Park provides the perfect setting for this project.

Consolidation of Ice Facilities The District owns and operates two ice facilities – Carlson Arctic Ice Arena and Riverview Ice House. Riverview is 43 years old and the facility is in need of significant repairs, including a new refrigeration system to replace the current system, as it relies on obsolete refrigerant. The District has also experienced growth in the number of youth and adults participating in skating and hockey programs. To address these issues, the District completed a feasibility study to determine if there was enough capacity to support an expansion of an additional sheet of ice at Riverview, while also addressing the aging infrastructure at this facility. The results of the study indicated an additional financial subsidy would be required to support an expansion. The District is now evaluating consolidation of both ice facilities in an effort to address aging facility infrastructure and to reduce the tax subsidy needed for operations.

Reduction of Footprint District staff are completing a project that will result in a recommendation to the Board of Commissioners to dispose of properties that do not provide recreational use or do not meet District priorities. The reduction of property will result in lower capital needs as well as operational savings.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Rockford Park District for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the twenty-third consecutive year the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. It must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the Rockford Park District received its ninth consecutive Popular Annual Financial Reporting Award for the fiscal year ended December 31, 2018. The award truly exemplifies the commitment of the Board of Commissioners and management to being truly transparent in providing financial information in an easy to understand format to the citizens.

The entire Financial Services Team of the Rockford Park District has contributed to the preparation of this report and we would like to express our appreciation to each one of them. Should you like additional information on this report or any aspect of the District, we encourage you to call the Executive Director or Chief Financial Officer. Thank you for your interest and support of your Rockford Park District. It is a pleasure to serve you.

Respectfully submitted,



Penny Christians
Chief Financial Officer



Matthew Sweet
Finance Manager

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Rockford Park District, Rockford, Illinois (the District), as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Rockford Park District, Rockford, Illinois, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 16, the District adopted GASB Statement No. 84, *Fiduciary Activities*, which modified the presentation of the District's fiduciary activities. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplemental information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the supplemental information 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Sikich LLP

Naperville, Illinois
April 17, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

ROCKFORD PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Rockford Park District, we offer readers of the Park District's financial statements this narrative overview and analysis of the financial activities of the Rockford Park District for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information provided in the letter of transmittal in the Introductory Section of this report.

Financial Highlights

- The assets and deferred outflows of the District exceeded the liabilities and deferred inflows by approximately \$83,807,019 (net position) at December 31, 2019. Of this amount, approximately (\$201,966) is unrestricted. The negative amount is primarily a result of a \$1,500,000 contingent liability for estimated clean up costs resulting from an EPA claim as discussed in Note 14. Approximately \$66,949,373 of net position is net investment in capital assets.
- The District's long-term debt (including current portion) increased by a total of approximately \$714,547 from the District's 2018 ending balances. This increase is due to:
 - a decrease of \$1,210,381 in general obligation bond and debt certificate debt. This was primarily the result of restructuring outstanding Magic Waters debt to taxable bonds due to the lease of the park to Six Flags, along with the issuance and retirement of the District's annual general obligation bonds for capital improvements;
 - a decrease in the pledge due to the City of Rockford of \$150,000 for the current installment paid in 2019;
 - a decrease of \$18,648 in the liability calculated for Total Other Post-Employment Benefits;
 - an increase of \$3,494 in compensated absences due the adjustment required for unpaid benefit time accrued;
 - an increase in premiums/discounts on bonds payable of \$62,264 as a result of the premium for the Series 2019A and 2019B bonds;
 - an increase of \$7,573,328 in the District's net pension liability, which was a net pension asset of \$299,826 in 2018;
 - a decrease of \$45,510 for capital leases as a result of payments made in 2019.
 - A decrease of \$5,500,000 in the contingent liability for EPA pollution remediation estimated costs.

Further discussion regarding the District's long-term debt is included in Note 7.

- The District invested \$5,361,542 in capital assets in 2019. This particularly large amount is due to the continued Sand Park remediation work. Depreciation expense on the District's governmental capital assets totaled \$6,001,667 for the year ended December 31, 2019.
- As of December 31, 2019, the District's governmental funds reported combined ending fund balances of \$19,752,887 an increase of \$1,789,551 from the prior year combined ending fund balances. The increase is mainly due to higher than expected corporate personal property replacement taxes, as well as savings from the District's health insurance fund. Approximately \$7,066,712 is Unrestricted and *available for spending* at the District's discretion. Included in this amount is \$3,815,966 *Assigned* by management for specified uses within various funds.

Overview of the Financial Statements

This discussion and analysis intends to introduce the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The District also includes required supplementary information to the basic financial statements in this report.

ROCKFORD PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide financial statements. The *government-wide* financial statements provide both short-term and long-term information about the District's overall financial status. The two statements included in the government-wide financial statements are the *statement of net position* and the *statement of activities*. This set of statements provides a broad overview of the District in a manner similar to a private-sector business. The *government-wide financial statements* include the Rockford Park District Foundation (Foundation) which is a discretely presented component unit of the District.

The *statement of net position* presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows. The difference between the assets and deferred outflows and the liabilities and deferred inflows is the District's *net position*. The change in net position over time is one indicator used to determine if the District's financial condition is improving or weakening. In order to assess the District's overall health, you also need to consider additional non-financial factors such as changes in the District's property tax base and the condition of buildings, land and recreational equipment and structures.

The *statement of activities* is a financial statement showing what changes make up the total change in net position for the most recent year. All items affecting the change 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*. Revenues and expenses are included in this statement for items that may only result in cash flows in a future fiscal period. This is similar to private industry financial statements.

The District's activities are considered governmental type activities. The District's governmental activities include park operations, recreation operations, museum operations, police protection, and administration. The District's reports one Proprietary Fund for the activities related to employee health and life benefits.

The government-wide financial statements not only include the Rockford Park District itself, but also a legally separate Foundation for which the District is financially accountable. Financial information for the Rockford Park District Foundation is reported separately from the financial information presented for the District itself.

The government wide financial statements are presented on pages 4 -6 of this report.

Fund financial statements. A fund is a grouping of related accounts and departments that are used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required by state law and by bond covenants. The District also establishes other funds to control and manage money for particular purposes (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as working cash). All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. -The fund financial statements of the primary government provide more detailed information about the District's funds, focusing on its most significant or "major" funds rather than the District as a whole. The focus of governmental funds is also narrower than government-wide financial statements due to the emphasis on *current financial resources*. It is helpful to compare the governmental funds financial statements to the government-wide financial statements to show the reader the resulting long-term effects of short-term financing decisions.

The governmental fund financial statements include the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. All of the District's services are included in governmental funds, which generally focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources than can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is included as a separate statement explaining, or reconciling, the relationship (or differences) between them.

**ROCKFORD PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Proprietary Funds. – The District maintains one proprietary fund which is classified as an Internal Service Fund. The fund is used to account for all activity for the employee health and life insurance benefits. The financial statements include the Statement of Net Position, the Statement of Revenues, Expenses and Change in Net Position, and the Statement of Cash Flows and appear on pages 13-15 of this report.

Fiduciary Funds – The District maintains one fiduciary fund, which is classified as a Custodial Fund. The fund is used to account for all activity for the Winnebago County Regional Tourism Facility Board, which was formed to oversee revenue produced by a 2% hotel tax in Winnebago County authorized by Illinois State Statute 55 ILCS 5/5-1030. The hotel tax revenue is being utilized to assist with funding the various projects and debt service within Reclaiming First. The financial statements include the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position appear on pages 16-17 of this report.

Notes to the financial statements. Also included in this report are important notes to the financial statements that further explain some of the information in the statements and provide more detailed data. The notes to the financial statements can be found on pages 17-53.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary schedules include 1) the actual fund performance for the General Fund and the Recreation Fund compared to their respective budgets; 2) the schedule of employer contributions for IMRF and the schedule of changes in net pension liability and related ratios for the District's pension plan; and 3) the District's schedule of employer contributions and funding progress for the OPEB plan.

Following the required supplementary information, there is also additional supplementary information and statistical information the District has provided to further explain and support the financial statements, grant activity, and to provide historical and trend information for the District and the surrounding community.

Government-wide Financial Analysis

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the primary government's financial statements. For detailed information pertaining to the Foundation, refer to the separately issued Foundation financial statements for the year ended December 31, 2019.

2019 Financial Analysis of the District as a Whole

Net Position: The District's total net position for the primary government increased by \$6,876,021 to \$83,807,019 at 12/31/2019. The following provides a summary of the District's net position as of December 31, 2019 and 2018.

**ROCKFORD PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Current assets	\$ 64,658,285	\$ 63,304,257	\$ 1,354,028	2.1%
Capital assets	111,079,604	111,895,772	(816,168)	-0.7%
Total assets	<u>175,737,889</u>	<u>175,200,029</u>	<u>537,860</u>	<u>0.3%</u>
Deferred outflows of resources	<u>7,093,260</u>	<u>2,435,910</u>	<u>4,657,350</u>	<u>-</u>
Liabilities				
Current liabilities	11,785,866	11,233,662	552,204	4.9%
Long-term obligations, less current portion	61,662,201	60,947,654	714,547	1.2%
Total liabilities	<u>73,448,067</u>	<u>72,181,316</u>	<u>1,266,751</u>	<u>1.8%</u>
Deferred inflows of resources	<u>25,576,063</u>	<u>28,523,625</u>	<u>(2,947,562)</u>	<u>-10.3%</u>
Net position				
Net investment in capital assets	66,949,373	65,477,746	1,471,627	2.2%
Restricted	17,059,642	19,622,644	(2,563,002)	-13.1%
Unrestricted	(201,996)	(8,169,392)	7,967,396	-97.5%
Total net position	<u>\$ 83,807,019</u>	<u>\$ 76,930,998</u>	<u>\$ 6,876,021</u>	<u>8.9%</u>

Assets and Deferred Outflows

- Cash and Investments increased by \$2,139,441 from the previous year. This was primarily due to the investment of proceeds from the sale of the former District headquarters in Sinnissippi, higher than expected corporate personal property replacement taxes and lower than anticipated health insurance claims.
- Receivables:
 - Property taxes receivable increased by \$110,471 due mainly to an increase in property taxes needed for bond principal and interest payments due in 2020.
 - Accounts Receivables increased by \$261,349 primarily due to Rockford Park District Foundation receivables for the District's Atwood Pavilion and Atwood Trails projects, as well as a grant receivable relating to the Jefferson Street bridge reconstruction.
 - Accrued interest receivable increased by \$8,319 due to higher cash and investment balances and improved rates of return.
 - Other Government receivables decreased by \$533,000 mainly due to the receipt of pledge payments for Reclaiming First
 - Component Unit (Rockford Park District Foundation) receivable decreased by \$227,654 due to principal payments made from pledges for the Series 2011A bond issue for construction of the Nicholas Conservatory and Gardens and Series 2017B and 2017C bond issues for construction of the Aldeen Pavilion.
 - Naming rights receivable decreased by \$208,324 due to receipts for the agreements for Mercy Health Sportscores, UW Health Sports Factory, and the Illinois Bank & Trust Pavilion at Aldeen Golf Club.
- Inventory increased by \$60,810 primarily as a result of the newly reopened Skybox restaurant at MercyHealth Sportscore Two, as well as all District golf course concessions now being run internally.
- Capital assets not being depreciated increased by \$793,874 primarily due to continued Sand Park remediation work.
- Capital assets, net of accumulated depreciation, decreased by \$816,168 in 2019. The increase for additions was offset with reductions for depreciation expense and retirements. The detail of the increases and decreases by asset class are displayed in Note 5.
- Deferred outflows of resources increased by \$4,657,350 due to change in net difference between projected and actual earnings on IMRF plan investments and changes in actuarial assumptions.

**ROCKFORD PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Liabilities and Deferred Inflows

- Accounts Payable was \$149,701 higher due to a move from individual invoices to consolidated electrical billing in 2019. This higher outstanding amount as of 12/31/2019 was the result of timing of the payment of invoices, but did not impact expenditures.
- Unearned Revenue remained consistent with 2018.
- Claims payable increased \$304,858 mainly due to accrued health insurance claims being higher in 2019.
- Noncurrent liabilities increased \$714,547 as explained on page MD&A 1.
- Deferred Inflows were \$2,947,562 lower than 2019 due to changes in assumptions and the difference between projected and actual IMRF investment earnings.

The following provides a summary of the District's changes in net position for the year ended December 31, 2019:

	<u>2019</u>	<u>2018</u>
Revenues		
Program revenues		
Charges for services	\$ 9,177,363	\$ 10,581,293
Operating grants and contributions	1,768,356	1,438,550
Capital grants and contributions	2,152,352	2,730,679
General revenues		
Property taxes	23,984,045	23,782,627
Replacement taxes	2,753,535	2,364,529
Investment income	473,728	377,353
Miscellaneous	1,047,037	701,194
Total revenues	<u>41,356,416</u>	<u>41,976,225</u>
Expenses		
Park operations	7,450,503	6,546,077
Recreation operations		
Facilities	14,563,166	19,385,478
Programs	4,608,101	4,579,159
Therapeutic operations	1,020,507	1,176,227
Museum operations	1,713,213	1,708,997
Police protection	1,618,528	1,668,729
Administration	6,844,501	7,362,650
Interest and fiscal charges	2,161,876	2,252,762
Total expenses	<u>39,980,395</u>	<u>44,680,079</u>
Special Item	<u>5,500,000</u>	<u>5,000,000</u>
Change in net position	6,876,021	2,296,146
Net Position, January 1	<u>76,930,998</u>	<u>74,634,852</u>
Net Position, December 31	<u><u>83,807,019</u></u>	<u><u>76,930,998</u></u>

**ROCKFORD PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Analysis 2019 Statement of Activities and Governmental Activities:

Revenues

The District's total revenues were \$41,356,416 for governmental activities in 2019, an overall decrease of \$619,809 or 1.5%, from 2018. The decrease in revenue is attributable to several factors as follows:

Charges for Services decreased by \$1,403,930 in 2019 due to the successful lease of Magic Waters Theme Park to Six Flags, thereby eliminating the water park's admission and concession revenue. This decrease was partially offset by lease income from Six Flags, as well as food and drink sales at the District's new skybox restaurant.

Operating Grants and Contributions increased by \$329,806 mainly due to an operational support contribution of \$250,000 for the UW Health Sports Factory from the Winnebago County Regional Tourism and Facility Board.

Capital Grants and contributions decreased by \$578,327 due to an increase in grant receipts for capital projects being more than offset by Aldeen Pavilion revenues from long-term receivables being fully recognized in 2018 for government-wide reporting.

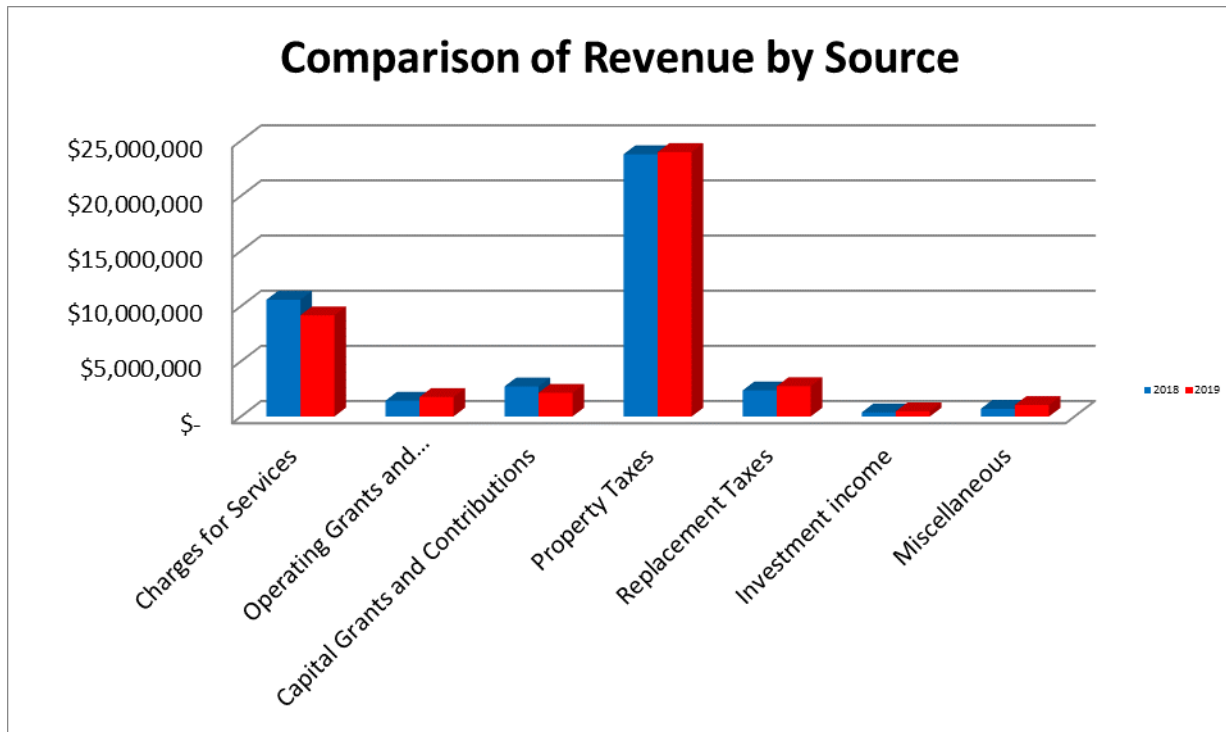
The District's property tax revenue increased mainly due to the bond levy. Replacement taxes increased \$389,006 due to higher distributions in 2019. The State of Illinois indicated this was a result of higher than estimated dollars being transferred to the replacement tax fund from other state funds.

Investment income increased \$96,375 due to better investment rates, as well as increased cash on hand from investment of the proceeds of the sale of the former District headquarters, corporate personal property replacement taxes and health fund savings.

Miscellaneous revenue increased primarily due to insurance recoveries relating to the Sand Park remediation legal settlement.

A comparative of revenue by source for 2019 and 2018 is shown below in a table and graphic illustration:

Revenue Source	2019		2018		Dollar Change	% Change
	Amount	% of Total	Amount	% of Total		
Charges for Services	\$ 9,177,363	22.2%	\$ 10,581,293	25.2%	\$ (1,403,930)	-13.3%
Operating Grants and Contributions	1,768,356	4.3%	1,438,550	3.4%	329,806	22.9%
Capital Grants and Contributions	2,152,352	5.2%	2,730,679	6.5%	(578,327)	-21.2%
Property Taxes	23,984,045	58.0%	23,782,627	56.7%	201,418	0.8%
Replacement Taxes	2,753,535	6.7%	2,364,529	5.6%	389,006	16.5%
Investment income	473,728	1.1%	377,353	0.9%	96,375	25.5%
Miscellaneous	1,047,037	2.5%	701,194	1.7%	345,843	49.3%
Total	\$41,356,416	100.0%	\$41,976,225	100.0%	(619,809)	-1.5%



Expenses

The total cost of all governmental programs and services was \$39,980,395 for the year ended December 31, 2019. This is a decrease in total costs from 2018 of \$4,699,684 or 11%.

Park Operations experienced an increase in 2019 from the filling of open positions and an increase in capital repairs and maintenance expenditures.

Facilities' expenses greatly decreased in 2019 due to the leasing of Magic Waters Theme Park to Six Flags.

Program expenses were higher due to the filling of previously open positions, partially offset by a decrease in supply and service expenditures.

Therapeutic Recreation decreased due primarily due to staff cost savings.

Museum expenses remained consistent with 2018, with a slight increase relating to higher revenues available from property taxes, as a result of an increased equalized assessed value. There was also an increase in capital repair and maintenance expenditures.

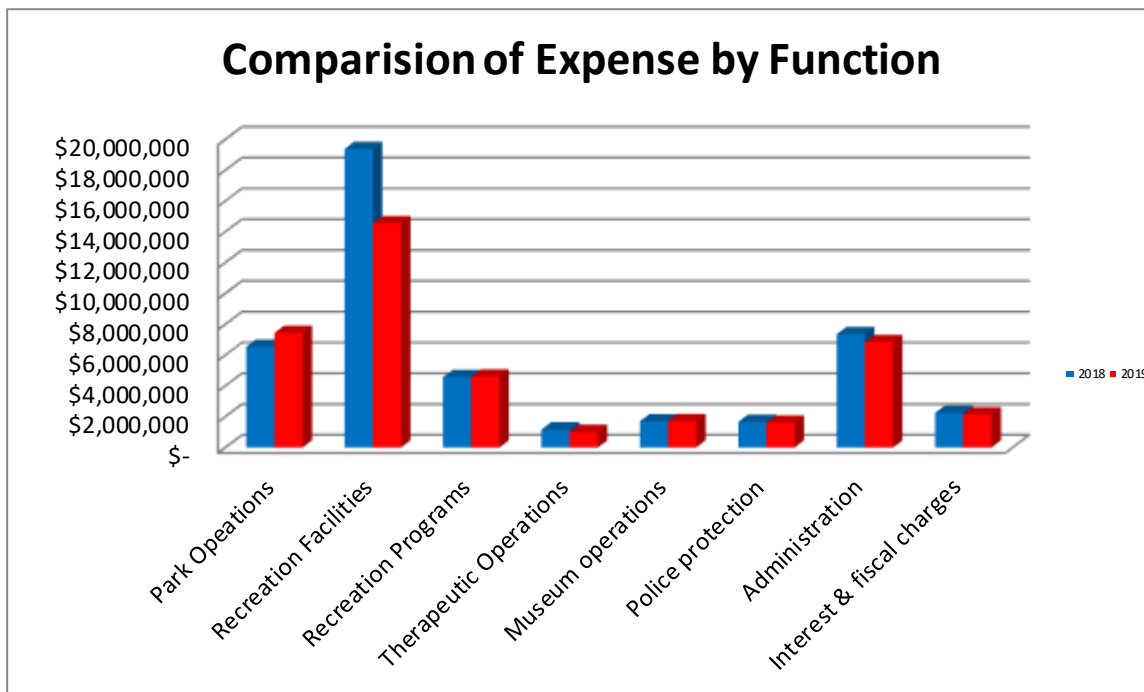
Administration experienced a decrease in 2019 primarily due to a decrease in capital repair and maintenance expenditures, along with a decrease in wage and benefit expenditures.

Interest and fiscal charges decreased in 2019 due to a decrease in principal retirement and interest payments on the District's annual general obligation bonds issued for capital improvements.

**ROCKFORD PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

A comparison of expenses by function for 2019 and 2018 is shown below in a table and graphic illustration:

<u>Operations</u>	<u>2019</u>		<u>2018</u>		<u>Dollar Change</u>	<u>Percent Change</u>
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>		
Park	7,450,503	19%	6,546,077	16%	904,426	14%
Recreation Operations						
Facilities	14,563,166	36%	19,385,478	48%	(4,822,312)	-25%
Programs	4,608,101	7%	4,579,159	7%	28,942	1%
Therapeutic	1,020,507	3%	1,176,227	3%	(155,720)	-13%
Museum	1,713,213	4%	1,708,997	4%	4,216	0%
Police	1,618,528	4%	1,668,729	4%	(50,201)	-3%
Administration	6,844,501	17%	7,362,650	18%	(518,149)	-7%
Interest and fiscal charges	2,161,876	5%	2,252,762	6%	(90,886)	-4%
Total	39,980,395	100%	44,680,079	100%	(4,699,684)	-11%



The following table presents the cost of six major District activities: park operations, recreation operations (which includes facilities, programs and therapeutic operations), museum operations, police protection, administration and interest on debt. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**ROCKFORD PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

	Total Cost of Services 2019	Net Cost of Services 2019
Park operations	\$ 7,450,503	\$ 7,346,860
Recreation operations		
Facilities	14,563,166	3,217,139
Programs	4,608,101	3,280,609
Therapeutic operations	1,020,507	931,001
Museum operations	1,713,213	1,713,213
Police protection	1,618,528	1,553,550
Administration	6,844,501	6,678,076
Interest on debt	2,161,876	2,161,876
	<u>\$ 39,980,395</u>	<u>\$ 26,882,324</u>

The cost of all governmental activities this year was approximately \$39,980,395. Individuals who directly participated or benefited from a program offering, as well as operating and capital grants/contributions paid for approximately \$13,098,071 of the costs. The remaining "net cost of services" was financed primarily by District taxpayers through property taxes as well as corporate personal property replacement taxes totaling approximately \$26,737,580. The District also continually seeks alternative revenue sources such as endowment funding, sponsorships, and naming rights agreements to lessen the reliance on property taxes.

Financial Analysis of the District's Funds

The financial performance of the District is also reflected in its governmental funds throughout the fund financial statements. The District ended the year with a total governmental fund balance of \$19,752,887, a \$1,789,551 increase from the prior year. A significant portion of this is due to higher than expected corporate personal property replacement tax revenues and health insurance fund savings. A total of \$3,244,549, or 16%, is *unrestricted* fund balance within the general fund. The amount of unassigned fund balance is a measure of the general fund's liquidity. The unrestricted and unassigned fund balance in the general fund of \$3,244,549 represents approximately 34% of total general fund expenditures. The recreation fund has an *unassigned* fund balance of \$6,197. The remaining total fund balance consists of \$261,077 – *nonspendable* (not in spendable form), \$12,425,098 – *restricted* (legally required to be spent for a specific purpose) and \$3,815,966 – *assigned* (management has assigned a particular purpose).

General Fund Budgetary Highlights

The District's original budget for the general fund was a balanced budget and did not anticipate any change to fund balance. The actual results for the year showed a decrease of \$178,326 versus the amended final budget of (\$318,269), decreasing the general fund's ending fund balance to \$3,349,648. The decrease was primarily due to lower than anticipated transfers from the Recreation Fund and transfers to the capital project fund for assignment.

Capital Assets and Debt Administration

Capital assets: At the end of 2019, the District had invested \$207,710,282 (**not** net of accumulated depreciation) in a broad range of capital assets.

Major capital asset increases during the current fiscal year included the following:

- Sand Park Remediation, including an inground liner and improvements to Sand Park Pool's Parking Lot
- Land improvements at Sinnissippi Park
- Improvements to Clarence Hicks Memorial Park
- Terry Lee Wells and Liberty Playgrounds
- Atwood Park Trails – Phase 1
- Atwood Park student drop-off pavilion
- Skybox Restaurant Renovation

**ROCKFORD PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Total depreciation expense for the year was \$6,001,667, while the net change from acquisitions and disposals was \$5,185,499. The following table shows the change in the District's capital assets, net of depreciation:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Construction in progress	\$ 5,022,335	\$ 4,324,869	697,466
Land	\$ 23,061,411	\$ 22,965,003	96,408
Land improvements	\$ 24,011,983	\$ 22,961,282	1,050,701
Vehicles	\$ 801,211	\$ 760,330	40,881
Infrastructure	\$ 3,865,067	\$ 4,237,109	(372,042)
Intangible assets	\$ 23,783	\$ 38,893	(15,110)
Fine Art	\$ 1,117,048	\$ 1,184,465	(67,417)
Administrative equipment	\$ 415,872	\$ 357,891	57,981
Recreation equipment and structures	\$ 11,058,663	\$ 11,531,340	(472,677)
Buildings and improvements	\$ 41,702,231	\$ 43,534,590	(1,832,359)
	<u>\$ 111,079,604</u>	<u>\$ 111,895,772</u>	<u>\$ (816,168)</u>

The detail of the increases and decreases by asset class are displayed in Note 5.

Long-term obligations: At December 31, 2019, the District had \$47,980,378 outstanding in general obligation bonds and debt certificates, a decrease of \$1,210,381 from the prior year. More detailed comparative information is laid out in the following chart and information about the District's long-term debt and other obligations is also presented in Notes 4, 7, 9, 10, 14 and 17 to the financial statements.

The following shows the District's outstanding long-term obligations:

	<u>2019</u>	<u>2018</u>	<u>Net Change</u>
General obligation bonds	\$ 44,903,378	\$ 45,947,759	\$ (1,044,381)
Premium on bonds payable, net of amortization	196,698	143,226	53,472
Discount on bonds payable, net of accretion	-	(8,792)	8,792
General obligation debt certificates	3,077,000	3,243,000	(166,000)
Capital lease obligation	53,609	99,119	(45,510)
Note payable - City of Rockford	3,000,000	3,150,000	(150,000)
Net other post employment benefit	518,613	537,261	(18,648)
Net pension liability	7,573,328	-	7,573,328
Compensated absences	839,575	836,081	3,494
Contingent liabilities	1,500,000	7,000,000	(5,500,000)
	<u>\$ 61,662,201</u>	<u>\$ 60,947,654</u>	<u>\$ 714,547</u>

The District maintained its long term credit rating by Moody's Investor Service of Aa3. Although this is still a high rating, the rating reflects the erosion in equalized assessed value the District has experienced over the last several years and the continuation of stressed economic indicators in the Rockford area. The equalized assessed value is now however starting to tick upward.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District is addressing the impact of facility closures due to the COVID-19 pandemic. The duration of these closures is not yet known. The District is making every effort to control expenditures to offset losses in fee revenue and reschedule events to later dates. Additionally, the District has a contingent liability relating to remediation plans agreed to with the Illinois Environmental Protection Agency. It is likely the District will be required to spend approximately \$1,500,000 over the next two years. Bonds were issued in 2018 for a portion of these costs and the District continues to work toward final cost determinations for the balance of the work to be done. A contingent liability has been recorded and additional information relating to this contingency is presented in Note 14 to the financial statements.

Part of the District's long term strategic plan is to reduce its footprint. This includes selling or leasing properties which either do not have recreational value or where an improved business opportunity exists. This included the sale of the District's former administration building and successfully leasing Magic Waters Theme Park to Six Flags in 2019. Both opportunities relieved the District from significant required capital investment. The water park lease also greatly reduced the volatility of operational results since operations are greatly dependent on weather. The District will continue to explore other opportunities to attain similar savings.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Chief Financial Officer, Penny Christians, at the Rockford Park District, 401 South Main Street, Rockford, Illinois 61101.

BASIC FINANCIAL STATEMENTS

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2019

	Primary Government Governmental Activities	Component Unit Rockford Park District Foundation
ASSETS		
Cash	\$ 1,820,341	\$ 834,522
Investments	20,596,473	7,319,579
Receivables (net, where applicable, of allowances for uncollectibles)		
Property taxes	23,955,536	-
Accounts	1,377,983	12,371
Accrued interest	20,566	10,306
Other governments	7,175,020	-
Component unit	1,005,878	-
Naming rights	8,430,009	-
Pledges and contributions	-	1,057,545
Notes receivable	-	3,594
Prepaid expenses	79,893	-
Inventory	176,086	-
Land held for future donation	-	882,520
Other real estate	-	40,756
Other assets	20,500	-
Capital assets not being depreciated	28,083,746	-
Capital assets being depreciated, net of accumulated depreciation	82,995,858	272,540
Total assets	175,737,889	10,433,733
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized charge on refunding	293,683	-
Pension items - IMRF	6,749,400	-
OPEB Items	50,177	-
Total deferred outflows of resources	7,093,260	-
Total assets and deferred outflows of resources	182,831,149	10,433,733

(This statement is continued on the following page.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2019

	Primary Government Governmental Activities	Component Unit Rockford Park District Foundation
LIABILITIES		
Accounts payable	\$ 1,699,873	\$ 510,435
Accrued payroll	724,574	-
Unearned revenue	8,317,165	-
Claims payable	881,254	-
Accrued interest payable	163,000	-
Other liabilities	-	1,200
Noncurrent liabilities		
Due within one year	8,723,458	-
Due in more than one year	52,938,743	1,005,878
	<u>73,448,067</u>	<u>1,517,513</u>
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	1,597,367	-
OPEB items	23,160	-
Deferred revenue - property taxes	23,955,536	-
	<u>25,576,063</u>	<u>-</u>
	<u>99,024,130</u>	<u>1,517,513</u>
NET POSITION		
Net investment in capital assets	66,949,373	272,540
Restricted for		
Museum operations	576,229	-
Police protection	6,577	-
Employee benefits	1,268,410	-
Audit	58,394	-
Working cash	711,832	-
Special recreation	1,570,510	-
Debt service	726,466	-
Liability insurance	1,387,138	-
Capital projects	3,644,086	-
Reclaiming First	7,110,000	-
Park district purposes	-	1,732,293
Restricted for purpose	-	3,709,319
Perpetual in nature	-	3,202,068
Unrestricted (deficit)	<u>(201,996)</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 83,807,019</u>	<u>\$ 8,916,220</u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2019

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 306,870	\$ 68,693	\$ 29,034	\$ 799,256	\$ 515,561	\$ 1,719,414
Investments	3,560,394	551,084	332,425	9,093,975	5,903,014	19,440,892
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	6,294,468	6,234,557	5,798,196	-	5,628,315	23,955,536
Accounts	19,505	479,827	-	856,697	1,174	1,357,203
Accrued interest	3,555	550	332	9,081	5,894	19,412
Other governments	15,070	-	-	7,159,950	-	7,175,020
Component unit	-	-	-	1,005,878	-	1,005,878
Naming rights	-	7,705,009	-	725,000	-	8,430,009
Prepaid expenditures	50,873	2,911	-	16,137	-	69,921
Inventory	39,156	136,930	-	-	-	176,086
Other assets	-	20,500	-	-	-	20,500
 Total assets	 \$ 10,289,891	 \$ 15,200,061	 \$ 6,159,987	 \$ 19,665,974	 \$ 12,053,958	 \$ 63,369,871

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 176,026	\$ 472,307	\$ 325	\$ 781,665	\$ 269,550	\$ 1,699,873
Accrued payroll	464,541	42,928	-	3,394	213,711	724,574
Unearned revenue	5,208	8,304,231	-	-	566	8,310,005
Total liabilities	645,775	8,819,466	325	785,059	483,827	10,734,452
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	6,294,468	6,234,557	5,798,196	8,926,996	5,628,315	32,882,532
Total deferred inflows of resources	6,294,468	6,234,557	5,798,196	8,926,996	5,628,315	32,882,532
Total liabilities and deferred inflows of resources	6,940,243	15,054,023	5,798,521	9,712,055	6,112,142	43,616,984
FUND BALANCES						
Nonspendable in form - inventory	39,156	136,930	-	-	-	176,086
Nonspendable in form - prepaid items	50,873	2,911	-	16,137	-	69,921
Nonspendable in form - long-term receivables	15,070	-	-	-	-	15,070
Restricted for museum operations	-	-	-	-	576,229	576,229
Restricted for police protection	-	-	-	-	6,577	6,577
Restricted for employee benefits	-	-	-	-	1,268,410	1,268,410
Restricted for audit	-	-	-	-	58,394	58,394
Restricted for working cash	-	-	-	-	711,832	711,832
Restricted for special recreation	-	-	-	-	1,570,510	1,570,510
Restricted for debt service	-	-	361,466	-	-	361,466
Restricted for liability insurance	-	-	-	-	1,387,138	1,387,138
Restricted for capital projects	-	-	-	6,484,542	-	6,484,542
Unrestricted						
Assigned for museum operations	-	-	-	-	25,084	25,084
Assigned for police protection	-	-	-	-	256,590	256,590
Assigned for special recreation	-	-	-	-	78,394	78,394
Assigned for audit	-	-	-	-	2,658	2,658
Assigned for capital projects	-	-	-	3,453,240	-	3,453,240
Unassigned	3,244,549	6,197	-	-	-	3,250,746
Total fund balances	3,349,648	146,038	361,466	9,953,919	5,941,816	19,752,887
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
	\$ 10,289,891	\$ 15,200,061	\$ 6,159,987	\$ 19,665,974	\$ 12,053,958	\$ 63,369,871

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

December 31, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 19,752,887
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	111,079,604
Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for IMRF are recognized as deferred outflows of resources on the statement of net position	6,749,400
Differences between expected and actual experiences, assumptions changes, and net differences between projected and actual earnings are recognized as deferred inflows of resources on the statement of net position	(1,597,367)
Differences between expected and actual experiences and assumption changes for OPEB are recognized as deferred outflows and inflows of resources on the statement of net position	27,017
The net position of the internal service funds are included in the governmental activities in the statement of net position	400,000
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation debt payable	(47,980,378)
Notes payable	(3,000,000)
Contingent liabilities	(1,500,000)
Unamortized premium on issuance	(196,698)
Loss on refunding	293,683
Capital lease obligations	(53,609)
Accrued compensated absences	(839,575)
Net pension liability - IMRF	(7,573,328)
Total OPEB liability	(518,613)
Accrued interest payable on long-term liabilities are reported as a liability on the statement of net position	(163,000)
Certain unavailable revenues related to long-term receivables on the fund financial statements are considered earned and on the statement of activities	<u>8,926,996</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 83,807,019</u></u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2019

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 6,414,948	\$ 6,342,740	\$ 5,713,745	\$ -	\$ 5,512,612	\$ 23,984,045
Other taxes	330,424	936,202	-	-	1,486,909	2,753,535
Intergovernmental	-	1,150,456	-	2,024,600	20	3,175,076
Local donations	-	-	-	905,941	-	905,941
Fees and admissions	277,952	8,676,567	-	113,800	106,138	9,174,457
Investment income	77,445	12,848	54,801	209,542	119,092	473,728
Miscellaneous income	131,764	956,131	-	507,250	52,261	1,647,406
Total revenues	7,232,533	18,074,944	5,768,546	3,761,133	7,277,032	42,114,188
EXPENDITURES						
Current						
Park operations	4,059,370	-	-	1,735,325	433,964	6,228,659
Recreation operations						
Facilities	-	10,248,083	-	322,442	1,156,824	11,727,349
Programs	-	3,855,807	-	-	547,737	4,403,544
Therapeutic operations	-	-	-	26,088	925,784	951,872
Museum operations	-	-	-	192,879	1,052,066	1,244,945
Police protection	-	-	-	-	1,534,619	1,534,619
Administration	5,360,812	-	-	654,558	631,796	6,647,166
Capital outlay	-	-	-	5,019,106	-	5,019,106
Debt service						
Principal retirement	-	-	5,550,000	2,080,892	-	7,630,892
Interest and fiscal charges	-	-	205,496	1,946,720	-	2,152,216
Total expenditures	9,420,182	14,103,890	5,755,496	11,978,010	6,282,790	47,540,368
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,187,649)	3,971,054	13,050	(8,216,877)	994,242	(5,426,180)

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 3,292,467	\$ 31,696	\$ -	\$ 2,464,602	\$ 63,184	\$ 5,851,949
Transfers (out)	(1,283,144)	(3,879,584)	-	(64,394)	(624,827)	(5,851,949)
Issuance of refunding bonds	-	-	-	13,180,000	-	13,180,000
Premium on bond issuance	-	-	-	141,481	-	141,481
Payment to refunding escrow agent	-	-	-	(7,228,908)	-	(7,228,908)
Insurance proceeds	-	-	-	100,309	-	100,309
Proceeds from the sale of capital assets	-	-	-	1,022,849	-	1,022,849
Total other financing sources (uses)	2,009,323	(3,847,888)	-	9,615,939	(561,643)	7,215,731
NET CHANGE IN FUND BALANCES	(178,326)	123,166	13,050	1,399,062	432,599	1,789,551
FUND BALANCES, JANUARY 1	3,527,974	22,872	348,416	8,554,857	5,509,217	17,963,336
FUND BALANCES, DECEMBER 31	\$ 3,349,648	\$ 146,038	\$ 361,466	\$ 9,953,919	\$ 5,941,816	\$ 19,752,887

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2019

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,789,551
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	5,233,500
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(6,001,667)
Contributions of capital assets are not a current financial resource of governmental funds	128,042
Sales and disposals of capital assets are reported as proceeds from the sale of capital assets in governmental funds but as loss from sale or disposal on the statement of activities	(176,043)
Certain revenues are reported as unavailable in the fund financial statements but are accrued and reported as revenue on the statement of activities	(757,772)
The change in the IMRF net pension (asset) liability is not a source of use of a financial resource	(7,873,154)
The change in deferred outflows of resources for IMRF is reported only in the statement of activities	4,436,132
The change in deferred inflows of resources for IMRF is reported only in the statement of activities	3,081,193
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of net position	
Bonds	14,390,381
Note payable	150,000
Capital lease	45,510
The amortizations of premiums, discounts, and loss on refundings is reported as interest expense on the statement of activities	
Current year premium on bond issuance	(141,481)
Amortization of premium on bonds	88,009
Amortization of discount on bonds	(8,792)
Loss on refunding	225,631
The issuance of long-term debt is reported as an other financing source when due in governmental funds but as an increase in principal outstanding in the statement of activities	
Bonds	(13,180,000)
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	(40,600)
The change in compensated absences liability is reported as an expense on the statement of activities	(3,494)
The change in contingent liabilities is reported as a special item in the statement of activities	5,500,000
The change in deferred outflows of resources for OPEB is reported only in the statement of activities	(27,573)
The change in the total OPEB liability is reported as an expense on the statement of activities	18,648
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 6,876,021

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**STATEMENT OF NET POSITION
PROPRIETARY FUND**

December 31, 2019

	Governmental Activities
	Internal Service Fund
CURRENT ASSETS	
Cash and cash equivalents	\$ 100,927
Investments	1,155,581
Accounts receivable	20,780
Interest receivable	1,154
Prepaid expenses	9,972
	<hr/>
Total current assets	1,288,414
	<hr/>
CURRENT LIABILITIES	
Unearned revenue	7,160
Claims payable	881,254
	<hr/>
Total current liabilities	888,414
	<hr/>
NET POSITION	
Unrestricted	400,000
	<hr/>
TOTAL NET POSITION	\$ 400,000
	<hr/> <hr/>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND

For the Year Ended December 31, 2019

	<u>Governmental Activities</u> <u>Internal Service Fund</u>
OPERATING REVENUES	
Premiums	
Employee contributions	\$ 696,738
Employer contributions	2,403,297
Retiree contributions	<u>162,773</u>
Total operating revenues	<u>3,262,808</u>
OPERATING EXPENSES	
Health and life insurance premiums	721,284
Claims incurred	2,321,902
Administrative services	<u>244,374</u>
Total operating expenses	<u>3,287,560</u>
OPERATING INCOME (LOSS)	<u>(24,752)</u>
NON-OPERATING REVENUE	
Investment income	<u>24,752</u>
Total non-operating revenue	<u>24,752</u>
CHANGE IN NET POSITION	-
NET POSITION, JANUARY 1	<u>400,000</u>
NET POSITION, DECEMBER 31	<u><u>\$ 400,000</u></u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended December 31, 2019

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employees	\$ 724,455
Receipts from employer	2,403,297
Receipts from retirees	162,773
Payments to vendors	(2,993,306)
Net cash from operating activities	297,219
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
Net cash from noncapital financing activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
None	-
Net cash from capital and related financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	24,164
Purchase of investments	(1,155,581)
Proceeds from sale of investments	899,736
Net cash from investing activities	(231,681)
NET INCREASE IN CASH AND CASH EQUIVALENTS	65,538
CASH AND CASH EQUIVALENTS, JANUARY 1	35,389
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 100,927
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (24,752)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Changes in assets and liabilities	
Accounts receivable	27,717
Prepaid expenses	(9,972)
Claims payable	304,858
Unearned revenue	(632)
NET CASH FROM OPERATING ACTIVITIES	\$ 297,219

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION
WINNEBAGO COUNTY REGIONAL TOURISM FACILITY BOARD**

December 31, 2019

	<u>Custodial</u>
ASSETS	
Cash	\$ 85,000
Investments	1,392,197
Other receivables	<u>148,938</u>
TOTAL ASSETS	<u><u>\$ 1,626,135</u></u>
LIABILITIES	
Accounts payable	<u>\$ 30,000</u>
Total liabilities	<u>30,000</u>
NET POSITION	
Restricted for tourism	<u>1,596,135</u>
Total net position	<u>1,596,135</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,626,135</u></u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
WINNEBAGO COUNTY REGIONAL TOURISM FACILITY BOARD**

For the Year Ended December 31, 2019

	<u>Custodial</u>
ADDITIONS	
Intergovernmental revenue from Winnebago County	\$ 857,625
Intergovernmental receivable from Winnebago County	148,938
	<hr/>
Subtotal - intergovernmental additions	1,006,563
	<hr/>
Interest	26,919
	<hr/>
TOTAL ADDITIONS	<u>1,033,482</u>
DEDUCTIONS	
Professional services	50,000
Capital acquisitions	370,000
Reclaiming first contribution	641,819
	<hr/>
TOTAL DEDUCTIONS	<u>1,061,819</u>
CHANGE IN FIDUCIARY NET POSITION	<u>(28,337)</u>
NET POSITION, JANUARY 1, 2019	-
	<hr/>
Change in accounting principle	1,624,472
	<hr/>
NET POSITION, JANUARY 1, 2019, RESTATED	<u>1,624,472</u>
	<hr/>
NET POSITION, DECEMBER 31, 2019	<u><u>\$ 1,596,135</u></u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District was established in 1909 under the Submerged Lands Statute of 1895 to acquire, develop and manage park and recreation lands and facilities. The District is a separate, autonomous, special purpose taxing district governed by an elected five person Board of District Commissioners. The District provides a wide range of facilities and programs to residents in the Rockford and surrounding communities that include parks and recreation paths, recreational programs, swimming pools and a water park, golf courses, museums, soccer fields and tennis courts.

a. Financial Reporting Entity

The District is a body corporate and politic established under Illinois Compiled Statutes (ILCS). The District is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and No. 34*, since its board is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The criteria used by the District to include component units within its reporting entity are financial accountability and the nature and significance of the relationship. The District includes the Rockford Park District Foundation (the Foundation) as a discretely presented component unit as it is legally separate and its sole purpose is to obtain financial resources to be used by the District or for the District's benefit.

The Foundation is a nonprofit corporation organized under the laws of the State of Illinois for the purpose of promoting educational, scientific and charitable activities in the Rockford community area. The Foundation follows the standards set forth by the Financial Accounting Standards Board and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The separate audited financial statements of the Foundation are available upon request at the District administrative offices at 401 South Main Street, Rockford, Illinois 61101-1321.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Financial Reporting Entity (Continued)

The Winnebago County Regional Tourism Facility Board (WCRTFB) is a joint venture between the District, Winnebago County, the City of Rockford, the City of Loves Park, the Village of Machesney Park, the Village of Cherry Valley, the Village of Rockton, the Village of Roscoe, the City of South Beloit and the Rockford Area Convention & Visitors Bureau. The purpose of the board is to direct the use of revenues collected pursuant to a hotel tax as well as any other revenue directed to the WCRTFB, specifically to fund the Reclaiming First initiatives of the District. The affairs of the WCRTFB are managed by a ten-person Board of Directors appointed by the Chief Executive of each member entity. The District has pledged an annual payment of \$300,000 for a period of 20 years to support the Reclaiming First initiatives which is made by servicing debt payments on the 2014A Bonds, 2015A Bonds and 2016 bonds.

b. Fund Accounting

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

The District's funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for the District's general activities. The General (Corporate) Fund is the primary operating fund; accounting for all financial resources not accounted for in another fund. Special Revenue Funds account for revenue sources that are legally restricted or committed for specific purposes (except for capital projects funds). The Debt Service Fund accounts for the servicing of bonded general long-term debt using funds restricted, committed or assigned for debt service. Capital Projects Funds account for funds that are restricted, committed or assigned to the acquisition of capital assets or construction of major capital projects not financed by another fund. Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the District's programs.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District does not have any enterprise funds.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Fiduciary funds are used to account for fiduciary activities (e.g. assets held on behalf of outside parties, including other governments). The District's fiduciary activities consist of a custodial fund which is used to account for assets that the District holds on behalf of WCRTFB as their custodian.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity other than interfund sales and services has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. The District does not have any business-type activities.

c. Government-Wide and Fund Financial Statements

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

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

The District reports the following major governmental funds:

The General Fund accounts for the resources traditionally associated with general government, except those accounted for in another fund. Revenues of the General Fund are primarily property and other taxes plus interest. Expenditures relate primarily to general administration and maintenance activities.

The Recreation Fund accounts for the planning, establishing and maintaining of recreational programs and facilities. Financing is provided from an annual property tax levy restricted by the state for recreation purposes, an intergovernmental grant restricted for recreation purposes, an allocation of Illinois personal property replacement taxes and fees and charges for programs and activities assigned for recreation purposes.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Debt Service Fund accounts for the accumulation of resources that are restricted or assigned for repayment of various general obligation bond issues where repayment is financed by an annual property tax levy.

The Capital Projects Fund accounts for financial resources restricted, committed or assigned for the acquisition or construction of major capital expenditures not being financed by the proprietary fund.

The District reports the following internal service fund:

The Insurance Fund accounts for the District's self-insured health plan for employees and other employee benefits, funded by charges to the various departments of the District and by employee and retiree contributions.

The District reports the following fiduciary fund:

The WCRTFB Fund is used to account for the activities of the joint venture between the District, Winnebago County, the City of Rockford, the City of Loves Park, the Village of Machesney Park, the Village of Cherry Valley, the Village of Rockton, the Village of Roscoe, the City of South Beloit and the Rockford Area Convention & Visitors Bureau. The District serves only in a custodial capacity and serves as accountant for the activities.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days for property taxes and most other revenues). The District recognizes property taxes when they become both measurable and available in the year intended to finance.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Expenditures are recorded when the related liability is incurred. Principal and interest on general long-term debt are recorded as expenditures become due.

Those revenues susceptible to accrual are property taxes, charges for services, intergovernmental and interest on investments.

The District reports unavailable/deferred/unearned revenue on its financial statements. Unavailable/deferred/unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period for governmental funds or earned at the government-wide level. Deferred/unearned revenue also arise when resources are received by the District before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the District has a legal claim to the resources by meeting all eligibility requirements, the liability for unavailable/deferred/unearned revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash represents cash and cash equivalents which include cash and demand deposits.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At December 31, 2019, the District held no investments required to be reported at fair value.

f. Property Taxes

Property taxes are recognized as a receivable at the time they are levied, and the current taxes receivable represent the 2019 levy and prior levies still uncollected, if any.

Property taxes are levied each year in December and attach as an enforceable lien on the property as of the preceding January 1. Tax bills are prepared by the County and issued on or about May 1 of the following year and are due and collectible on or about June 1 and September 1. The County collects the taxes and remits them periodically to the District. An allowance for uncollectible amounts has been provided on the outstanding receivable amount and is based upon past collection experience.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Accounts Receivable

Accounts receivable are carried at the original invoice amount, less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowances for doubtful receivables by identifying troubled accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded as revenue when received. Receivables are generally considered past due when the invoice is outstanding past the due date, typically 30 days from the billing date. Interest is not charged on past due receivables.

h. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (e.g., bike trails, paths, roads, bridges and similar items) are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Assets	Years
Land improvements	20-30
Vehicles	7-10
Infrastructure	20-30
Administrative equipment	5-7
Intangible assets	5-7
Recreation equipment and structures	10-30
Buildings and improvements	20-30
Fine art	20-30

i. Inventories and Prepaid Expenditures

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased. Reported inventories are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of current assets.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Inventories and Prepaid Expenditures (Continued)

Certain payments to vendors reflected costs applicable to future accounting periods and are recorded as prepaid expenditures using the consumption method. Such amounts are offset by nonspendable fund balance in the governmental fund financial statements.

j. Compensated Absences

The liability for compensated absences in the government-wide financial statements consists of unpaid, accumulated vacation and vested sick leave balances for district employees and is recorded as earned by employees. Employees earn vacation based upon their length of service. In the event of termination, an employee is paid for accumulated vacation days.

Prior to July 1, 1983, employees were allowed to accumulate unused sick days and upon termination were paid 50% of the accumulated sick days. In July 1983, this policy was changed but the accumulated sick days as of that date were vested. Currently, employees earn sick pay at the rate of one day per month which does not vest and is only payable upon illness.

Compensated absences are reported in governmental funds when due and payable, upon employee retirement or termination. The General Fund, Recreation Fund, Police Protection Fund, Special Recreation Fund and Museum Fund liquidate the liabilities pertaining to their assigned employees.

k. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. The unamortized loss on bond refunding is reported as deferred charges, a deferred outflow of resources and amortized over the term of the related debt. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental funds 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 expenditures.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Net Position/Fund Balances

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Commissioners, which is considered the District's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Commissioners.

Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Executive Director and the Chief Financial Officer by the District Board of Commissioners via the fund balance policy approved in Board Policy 2.3.4. Any residual fund balance in the General Fund or any deficit balances in other governmental funds are reported as unassigned.

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

The District has established fund balance reserve policies for its operating funds, which include the General and Special Revenue Funds. The Operating Funds target 50%, plus or minus 5%, of annual estimated real estate tax revenues as spendable fund balance. The Capital Projects and Debt Service Funds do not have established fund balance limits due to the nature of the transactions accounted for in these funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net position has not been restricted by enabling legislation adopted by the District. Net investment in capital assets, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

m. Interfund Transactions

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other fund” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

o. Deferred Outflows/Inflows of Resources

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

p. Use of Estimates

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

q. Special Item

Special items are significant transactions or other events that are either unusual or infrequent and are with the control of management. The reduction of the District’s contingent liability as discussed in Note 14 has been reported as a special item.

2. CASH AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund’s portion of this pool is displayed on the financial statements as cash. In addition, investments are separately held by several of the District’s funds.

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

2. CASH AND INVESTMENTS (Continued)

a. Permitted Deposits and Investments

The District's investment policy permits the District to invest in bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, bonds and notes debentures or similar obligations of the agencies of the United States of America; interest-bearing savings accounts, certificates of deposit, time deposits or other investment constituting direct obligations of a bank as defined by the Illinois Banking Act; money market mutual funds registered under the Investment Company Act of 1940 which invest only in bonds, notes, certificates of indebtedness, treasury bills and other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest and agrees to repurchase such obligations; AAAM rated local government investment pools (including The Illinois Funds (a money market fund created by the State of Illinois under the control of the State Treasurer that maintains a \$1 share value), the Illinois Park District Liquid Asset Fund (IPDLAF), and the Illinois Public Reserves Investment Management Trust (IPRIME)); collateralized repurchase agreements and commercial paper for companies which are organized in the United States of America, have assets exceeding \$500,000,000, rated A1/P1 or better and have maturity of no longer than 270 days. In addition, the investment policy prohibits investments in derivatives.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

IPDLAF allows Illinois park districts, forest preserves and joint recreational programs to pool their funds for investment purposes. The IPDLAF is composed of finance officials and treasurers all of whom are employees of the Illinois public agencies, which are investors in the IPDLAF. Investments in the IPDLAF are valued at amortized cost, which approximates fair value.

IPRIME allows units of local governments to pool their funds for investment purposes. Investments in IPRIME are valued at amortized cost, which approximates fair value.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

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

2. CASH AND INVESTMENTS (Continued)

b. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance at 102% of the balance with the collateral held by a third party in the name of the District or collateral pledged by a single institution collateral pool which is monitored by a third party and with the collateral pledged being securities which are allowable investments under the District's investment policy. The District's deposits with financial institutions were covered by FDIC insurance collateral in the name of the District at December 31, 2019. In addition, one of the District's deposits is collateralized by a letter of credit pooled by the District's agent in one letter of credit with the Federal Home Loan Bank for all public entity deposits in that bank for which the agent is a counterparty and is monitored by a third party.

c. Investments

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell maturities on the open market prior to maturity, investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy, laddering investments with different maturity dates to ensure the District is not trapped for an extended period of time with an interest rate lower than market and limiting the maximum length of maturity of investments to three years.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity by; limiting investments to the types of securities allowed, pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the District will do business, diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized and limiting investments to those rated AA or higher (long-term rating) or A1/P1 or higher (short-term rating) by two Nationally Recognized Statistical Rating Organizations. The Illinois Funds, the Illinois Park District Liquid Asset Fund and the Illinois Public Reserves Investment Management Trust are rated AAAM.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party.

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

2. CASH AND INVESTMENTS (Continued)

c. Investments (Continued)

To limit its exposure, the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the District's agent separate from where the investment was purchased. The Illinois Funds, the Illinois Park District Liquid Asset Fund and the Illinois Public Reserves Investment Management Trust are not subject to custodial credit risk.

Concentration of credit risk - The District limits its exposure to concentration of credit risk by requiring diversification of securities whereby no more than 50% of the portfolio may be invested in a single instrument and by emphasizing the diversification of maturities. Additionally, no more than 33% of the portfolio can be invested in commercial paper and no more than \$20 million can be invested in one company.

3. LONG-TERM RECEIVABLE

The District has a long-term receivable in the General and Capital Projects Funds, due from the Burpee Museum of Natural History in the amount of \$65,020 that is for the repayment of an advance made by the District during the year ended December 31, 2013 to assist the museum with a cash flow shortfall with respect to services in connection with Burpee Museum's exhibit commonly known as "Rick's Picks." This advance is being repaid with museum fund distributions at the rate of \$13,000 per year. Repayment began in 2015.

The District also has long-term receivables in connection with naming rights agreements and sponsorships reported in the Recreation Fund in the amount of \$7,705,009. These agreements give third parties the right to name Sportscore I and Sportscore II and the new downtown facility in addition to market and advertise at these facilities. Naming rights revenue is considered earned when the naming rights usage takes place. Sponsorship revenue is considered earned in accordance with the compensation schedule outlined in the agreements.

The District reports long-term receivables in the Capital Projects Fund for amounts due from the Foundation (\$640,878) related to future pledges for the Rockford Bank & Trust Pavilion. Additionally, the District reports naming rights for the pavilion in the amount of \$725,000.

4. RECLAIMING FIRST INITIATIVE

The District, Winnebago County, the City of Rockford, the City of Loves Park, the Village of Machesney Park, the Village of Cherry Valley, the Village of Rockton, the Village of Roscoe and the City of South Beloit entered into an intergovernmental agreement to authorize Winnebago County to levy a hotel tax to be administered by WCRTFB. WCRTFB will direct the use of hotel tax revenues collected and other revenue pledged by the member governments to the District's Reclaiming First Initiative whose purpose is to enhance amateur sports tournament and recreation venues within Winnebago County.

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

4. RECLAIMING FIRST INITIATIVE (Continued)

During the year ended December 31, 2014, the District issued \$10,000,000 General Obligation Park (Alternate Revenue Source) Bonds, Series 2014A for improvements to Indoor Soccer Center and Sportscore II for the Reclaiming First Initiative. During the year ended December 31, 2015, the District issued \$10,000,000 General Obligation Park (Alternate Revenue Source) Bonds, Series 2015A for improvements to Indoor Soccer Center and Sportscore II for the Reclaiming First Initiative. During the year ended December 31, 2016, the District issued \$7,500,000 General Obligation Park (Alternate Revenue Sources) Bonds, Series 2016 for improvements to Sportscore II for the Reclaiming First Initiative.

The District has committed \$300,000 annually for 20 years towards debt service on these bonds.

The following describes the long-term commitments made by other governments in connection with the Reclaiming First Initiative:

The District has a long-term receivable due from the City of Loves Park with an original amount due of \$2,890,000 that was pledged to provide funding for the Reclaiming First Initiative. This will be paid at the rate of \$150,000 for the first year and \$170,000 per year for 19 years beginning in January 2015. The balance as of December 31, 2019 was \$2,210,000.

The District has a long-term receivable due from Winnebago County with an original amount due of \$7,000,000 that was pledged to provide funding for the Reclaiming First Initiative. This will be paid at the rate of \$350,000 per year for 20 years beginning on November 1, 2014. The balance as of December 31, 2019 was \$4,900,000.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 22,965,003	\$ 102,000	\$ 5,592	\$ 23,061,411
Construction in progress	4,324,869	2,720,222	2,022,756	5,022,335
Total capital assets not being depreciated	<u>27,289,872</u>	<u>2,822,222</u>	<u>2,028,348</u>	<u>28,083,746</u>

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

5. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES (Continued)				
Capital assets being depreciated				
Intangible assets	\$ 415,102	\$ -	\$ -	\$ 415,102
Fine art	1,373,330	-	-	1,373,330
Land improvements	43,412,375	2,738,079	24,303	46,126,151
Vehicles	2,439,048	240,079	120,700	2,558,427
Infrastructure	15,172,719	-	30,263	15,142,456
Administrative equipment	3,606,665	153,305	109,966	3,650,004
Recreation equipment and structure	38,657,164	899,769	6,315	39,550,618
Buildings and improvements	71,087,244	530,844	807,640	70,810,448
Total capital assets being depreciated	<u>176,163,647</u>	<u>4,562,076</u>	<u>1,099,187</u>	<u>179,626,536</u>
Less accumulated depreciation for				
Intangible assets	376,209	15,110	-	391,319
Fine art	188,865	67,417	-	256,282
Land improvements	20,451,093	1,686,382	23,307	22,114,168
Vehicles	1,678,718	199,198	120,700	1,757,216
Infrastructure	10,935,610	365,313	23,534	11,277,389
Administrative equipment	3,248,774	95,324	109,966	3,234,132
Recreation equipment and structure	27,125,824	1,371,183	5,052	28,491,955
Buildings and improvements	27,552,654	2,201,740	646,177	29,108,217
Total accumulated depreciation	<u>91,557,747</u>	<u>6,001,667</u>	<u>928,736</u>	<u>96,630,678</u>
Total capital assets being depreciated, net	<u>84,605,900</u>	<u>(1,439,591)</u>	<u>170,451</u>	<u>82,995,858</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 111,895,772</u>	<u>\$ 1,382,631</u>	<u>\$ 2,198,799</u>	<u>\$ 111,079,604</u>

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

GOVERNMENTAL ACTIVITIES	
Park operations	\$ 1,228,662
Recreation operations	
Facilities	3,936,279
Programs	74,298
Therapeutic operations	17,508
Museum operations	471,405
Police protection	61,294
Administration	<u>212,221</u>
TOTAL DEPRECIATION/AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 6,001,667</u>

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

6. INDIVIDUAL FUND DISCLOSURES

The composition of interfund transfers during the year is as follows:

Fund	Transfers In	Transfers Out
General	\$ 3,292,467	\$ 1,283,144
Recreation	31,696	3,879,584
Capital projects	2,464,602	64,394
Nonmajor governmental	63,184	624,827
TOTAL	<u>\$ 5,851,949</u>	<u>\$ 5,851,949</u>

The purposes of significant transfers during the year were as follows:

- \$3,150,129 transferred from the Recreation Fund to the General Fund for normal administrative, operational and maintenance costs. This amount will not be repaid.
- \$1,243,099 transferred from the General Fund to the Capital Projects Fund for capital projects. This transfer will not be repaid.
- \$447,820 transferred from Nonmajor Governmental Funds to the Capital Projects Fund for bond payments not fully funded within the Capital Projects Fund. This transfer will not be repaid.
- \$325,000 transferred from the Recreation Fund to the Capital Projects Funds for bond payments not fully funded within the Capital Projects Fund. This transfer will not be repaid.
- \$260,276 transferred to the Capital Projects Fund from the Recreation Fund for capital projects. This transfer will not be repaid.

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

7. LONG-TERM DEBT

a. General Obligation Debt

The outstanding general obligation debt as of December 31, 2019, consist of the following:

General Obligation Bonds

	Purpose	Balance December 31	Current Portion
2009 Series B Bonds, due in varying annual amounts through December 15, 2021, semiannual interest at 3% to 4%.	Museum Improvements	\$ 500,000	\$ 245,000
2011 Series A Bonds, due in varying annual amounts through December 15, 2021, semiannual interest at 2.77%.	Various Capital Improvements	365,000	100,000
2014 Series A Bonds, interest paid monthly through August 15, 2016, thereafter due in varying semiannual amounts through October 15, 2034, semiannual interest at 4.05%.	Rehabilitation, Improvements and Extensions to and Equipping of Sportscore II	9,626,220	49,141
2015 Series Bonds, interest paid monthly through August 15, 2016, thereafter due in varying semiannual amounts through December 15, 2034, with final payment due January 8, 2035 semiannual interest at 3.89%.	Rehabilitation, Improvements and Extensions to and Equipping of Sportscore II	9,551,829	73,122
2016 Series Bonds, interest paid monthly through August 15, 2017, thereafter due in varying semiannual amounts through December 15, 2034, with final payment due December 15, 2034 semiannual interest at 4.05%.	Rehabilitation, Improvements and Extensions to and Equipping of Sportscore II	7,240,329	40,116
2018A Series Bonds, due in varying annual amounts through December 15, 2037, semiannual interest at 3% to 4%.	Environmental remediation and constructing improvements at Sand Park and to provide payment for certain claims against the District	4,735,000	295,000
2019A Series Bonds, due in varying annual amounts through December 15, 2038, semiannual interest at 4.00% to 4.25%.	Refund Magic Waters bonds	7,280,000	260,000

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

	Purpose	Balance December 31	Current Portion
2019B Series Bonds, due in one installment on December 15, 2020, semiannual interest at 3%.	General Park Improvements Within the District	\$ 4,660,000	\$ 4,660,000
2019C Series Bonds, due in one installment on December 15, 2020, semiannual interest at 3.10%.	General Park Improvements Within the District	945,000	945,000
TOTAL GENERAL OBLIGATION BONDS PAYABLE		\$ 44,903,378	\$ 6,667,379

General Obligation Debt Certificates (Direct Placement)

	Purpose	Balance December 31	Current Portion
Debt Certificates, Series 2017B, due in varying annual amounts through December 30, 2027, semiannual interest at 3.375%.	Aldeen Golf Club Pavilion	\$ 1,181,000	\$ 85,000
Debt Certificates, Series 2017C, due in varying annual amounts through December 30, 2027, semiannual interest at 3.375%.	Aldeen Golf Club Pavilion	1,896,000	86,000
TOTAL GENERAL DEBT CERTIFICATES PAYABLE		\$ 3,077,000	\$ 171,000

The District issued the 2017B and 2017C debt certificates to finance the construction of the pavilion at the Aldeen Golf Club. The certificates were issued directly to a bank, bear interest at 3.375% with principal due annually on December 30 and interest due semiannually on June 30 and December 30 through December 30, 2027. The debt certificates are considered general obligations payable.

Refunding - Taxable General Obligation Refunding Park Bonds, Series 2019A

On February 7, 2019, the District issued \$7,575,000 Taxable General Obligation Refunding Park Bonds, Series 2019A with interest ranging from 4.00% to 4.25% maturing at various amounts through December 15, 2038. The District passed an ordinance directing the execution of an escrow agreement in order to refund District's Obligation Park Bonds (Alternate Revenue Source), Series 2011 outstanding in the

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

principal amount of \$2,510,000, General Obligation Park Bonds (Alternate Revenue Source), Series 2016A outstanding in the principal amount of \$2,370,000, and Taxable General Obligation Park Bonds (Alternate Revenue Source), Series 2016B outstanding in the principal amount of \$2,075,000.

This advance refunding was undertaken to restructure the outstanding debt related to Magic Waters. This refunding increased total debt service payments over the next 19 years by \$1,943,897 and to resulted in an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$845,623. The reacquisition price exceeded the net carrying amount of the old debt by \$309,147. This amount is being amortized over the remaining life of the refunding debt.

Proceeds in the amount of \$7,228,121 from the refunding bonds were used to execute the escrow agreement. The refunded \$2,510,000 General Obligation Park Bonds (Alternate Revenue Source), Series 2011 will be called in its entirety on December 30, 2020, \$2,370,000 General Obligation Park Bonds (Alternate Revenue Source), Series 2016A bonds will be called in its entirety on December 15, 2025 and the \$2,075,000 Taxable General Obligation Park Bonds (Alternate Revenue Source), Series 2016B bonds will be called in its entirety on December 15, 2025.

Interest on general obligation debt is due semiannually on June 15 or June 30 and December 15 or December 30 with principal payable each December 15 or December 30. The Capital Projects Fund is used to retire general obligation alternate revenue source debt. The Debt Service Fund is used to retire general obligation debt.

The 2019B Series Taxable General Obligation Bonds and 2019C Series Taxable General Obligation Bonds are to be paid from property taxes. The District has the following outstanding bonds that will be paid from pledged future revenues: The 2009 Series B Bonds are to be paid from revenues from the Museum Fund and were issued for general museum improvements. The 2011 Series A Bonds are to be paid from revenues generated through the Foundation contributions and were issued to partially fund the construction of the Nicholas Conservatory. The 2014 Series A, 2015 Series A and 2016 General Obligation Bonds are to be paid from personal property replacement tax and hotel tax. The 2018A Series Bonds and 2019A Series Bonds are to be paid from the proceeds of the annual GO Limited Tax Park Bonds. These pledges will remain until all bonds are retired.

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

The amount of the pledges remaining as of December 31, 2019 is as follows:

Debt Issue	Pledged Revenue Source	Pledge Remaining	Commitment End Date
2009B	Museum tax	\$ 530,200	12/15/2021
2011A	Rockford Park District Foundation	382,451	12/15/2021
2014A	Personal property replacement and hotel tax	15,230,540	10/15/2034
2015	Personal property replacement and hotel tax	14,755,283	12/15/2034
2016	Personal property replacement and hotel tax	11,425,758	12/15/2034
2018A	Annual GO Limited Tax Park Bonds	6,170,356	12/15/2037
2019A	Annual GO Limited Tax Park Bonds	10,592,019	12/15/2038

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2019 is as follows:

Debt Issue	Pledged Revenue Source	Pledged Revenue	Principal and Interest Paid	Estimated % of Revenue Pledged
2009B	Museum tax	\$ 1,537,072	\$ 264,400	17%
2011A	Rockford Park District Foundation	112,881	112,881	100%
2014A	Personal property replacement and hotel tax*	3,640,096	607,420	17%
2015	Personal property replacement and hotel tax*	3,640,096	606,559	17%
2016	Personal property replacement and hotel tax*	3,640,096	455,965	13%
2018A	Annual GO Limited Tax Park Bonds	5,605,000	447,831	8%
2019A	Annual GO Limited Tax Park Bonds	5,605,000	556,966	10%

*The pledged hotel taxes are from collections distributed to the District by Winnebago County pursuant to Section 5-1030(b) of the Counties Code, as amended, and intergovernmental agreements providing for said hotel tax to be paid to the District.

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

A summary of the changes in long-term obligations of the District for the year ended December 31, 2019 is as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion	Long-Term Portion
General obligation bonds	\$ 45,947,759	\$ 13,180,000	\$ 14,224,381	\$ 44,903,378	\$ 6,667,380	\$ 38,235,998
General obligation debt certificates direct placement	3,243,000	-	166,000	3,077,000	171,000	2,906,000
Capital lease obligation	99,119	-	45,510	53,609	32,008	21,601
Note payable - City of Rockford	3,150,000	-	150,000	3,000,000	150,000	2,850,000
Compensated absences	836,081	812,941	809,447	839,575	203,070	636,505
Net pension liability*	-	7,573,328	-	7,573,328	-	7,573,328
Total other postemployment benefit liability	537,261	-	18,648	518,613	-	518,613
Contingent liabilities	7,000,000	-	5,500,000	1,500,000	1,500,000	-
Premium on bonds payable	143,226	141,481	88,009	196,698	-	196,698
Discount on bonds payable	(8,792)	-	(8,792)	-	-	-
TOTAL LONG-TERM OBLIGATIONS	\$ 60,947,654	\$ 21,707,750	\$ 20,993,203	\$ 61,662,201	\$ 8,723,458	\$ 52,938,743

Compensated absences will be liquidated by several of the governmental funds. The total other postemployment benefit liability will be paid by the General Fund. Contingent liabilities will be liquidated by the Capital Projects Fund and are discussed in Note 14.

Net pension asset at the beginning of the year, resulting in no beginning balance.

Future principal and interest payments due on general obligation debt is as follows:

Fiscal Year Ending December 31,	Governmental Activities				
	General Obligation Debt		General Obligation Bonds		
	Certificates	Direct Placement	Principal	Interest	Total
2020	\$ 171,000	\$ 103,849	\$ 6,667,380	\$ 1,801,314	\$ 8,743,543
2021	177,000	98,078	1,266,894	1,498,821	3,040,793
2022	183,000	92,104	778,831	1,454,394	2,508,329
2023	214,000	85,928	801,047	1,426,327	2,527,302
2024	221,000	78,705	825,671	1,400,304	2,525,680

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

Fiscal Year Ending December 31,	Governmental Activities					Total
	General Obligation Debt		General Obligation Bonds			
	Certificates	Direct Placement	Principal	Interest		
2025	\$ 229,000	\$ 71,246	\$ 856,249	\$ 1,367,576	\$ 2,524,071	
2026	237,000	63,518	889,371	1,336,603	2,526,492	
2027	1,645,000	55,519	927,821	1,304,404	3,932,744	
2028	-	-	768,819	1,273,656	2,042,475	
2029	-	-	800,645	1,241,880	2,042,525	
2030	-	-	830,156	1,211,669	2,041,825	
2031	-	-	860,051	1,179,837	2,039,888	
2032	-	-	887,659	1,149,528	2,037,187	
2033	-	-	925,946	1,112,522	2,038,468	
2034	-	-	24,076,838	1,017,035	25,093,873	
2035	-	-	705,000	112,794	817,794	
2036	-	-	735,000	84,000	819,000	
2037	-	-	765,000	53,981	818,981	
2038	-	-	535,000	22,738	557,738	
TOTAL	\$ 3,077,000	\$ 648,947	\$ 44,903,378	\$ 20,049,383	\$ 68,678,708	

The District aggregate indebtedness is subject to a statutory limitation of 2.875% of its equalized assessed value. As of December 31, 2019, the statutory limit for the District was \$63,310,628. The District's outstanding debt, net of assets available for bond retirements, was \$5,605,000, leaving a legal debt margin of \$57,705,628.

The District may issue general obligation bonds without submitting the proposition of the issue in a referendum as long as the aggregate balance of bonds and notes does not exceed 0.575% of the total equalized assessed value of the District. As of December 31, 2019, this limit on the nonreferendum general obligation bonds was \$12,662,126. The District's outstanding general obligation bonds, net of the \$39,298,378 of general obligation bonds payable from alternative sources and \$361,466 available in the Debt Service Fund, total \$7,418,592, leaving a margin for additional bond issues of \$5,243,534.

b. Capital Lease

During the year ended December 31, 2014, the District entered into a capital lease for a cargo van. The interest rate for the lease is 4.52%. The assets acquired through capital lease have a cost of \$23,194; accumulated depreciation of \$23,194 and a book value of \$0 at December 31, 2019.

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

7. LONG-TERM DEBT (Continued)

b. Capital Lease (Continued)

During the year ended December 31, 2015, the District entered into a capital lease for a Zamboni. The interest rate for the lease is 1.88%. The asset acquired through capital lease has a cost of \$103,263; accumulated depreciation of \$93,261 and a book value of \$10,362 at December 31, 2019.

During the year ended December 31, 2016, the District entered into a capital lease for a Zamboni. The interest rate for the lease is 1.86%. The asset acquired through capital lease has a cost of \$103,623; accumulated depreciation of \$72,536 and a book value of \$31,087 at December 31, 2019.

The following is a schedule of future minimum lease payments under the capital lease and the present value of minimum lease payments:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 32,733
2021	<u>21,851</u>
 TOTAL MINIMUM LEASE PAYMENTS	 54,584
 Amount representing interest	 <u>(975)</u>
 Present value of minimum lease payments	 <u><u>\$ 53,609</u></u>

c. Note payable - City of Rockford

The District has committed to pay the City of Rockford \$150,000 per year for 20 years, beginning 2015 through 2034, for the Ingersoll Facility renovations. The Ingersoll Facility will be transferred by the City of Rockford to the District. The balance of the commitment was \$3,000,000 as of December 31, 2019.

8. RELATED PARTY TRANSACTIONS

The District provides office space, equipment and support services for the Foundation. The value of such in-kind benefits to the Foundation was \$233,926. The total cost for general and administrative expenses for the Foundation was \$293,926. The Foundation reimbursed the District \$60,000 for general and administration costs.

Total general and administrative cost of the Foundation	\$ 293,926
Less reimbursement	<u>(60,000)</u>
 TOTAL IN-KIND GIFT FROM THE DISTRICT	 <u><u>\$ 233,926</u></u>

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

8. RELATED PARTY TRANSACTIONS (Continued)

During the year ended December 31, 2019, the Foundation paid the District \$1,685,509.

General and administration	\$ 60,000
Programs and capital improvements	<u>1,625,509</u>
TOTAL	<u>\$ 1,685,509</u>

In addition, the District has a long-term receivable, offset by unavailable revenue in the capital projects fund and net position of governmental activities in the entity-wide statements, due from the Foundation in the amount of \$365,000 that is used to repay the 2011A General Obligation Alternate Revenue Source Bonds. The amounts are due in annual installments through December 31, 2021 as follows:

<u>Year Ending December 31,</u>	<u>Amount Due</u>
2020	\$ 100,000
2021	<u>265,000</u>
TOTAL	<u>\$ 365,000</u>

9. EMPLOYEE RETIREMENT SYSTEMS

The District's defined benefit pension plan (the Plan), Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the Plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the Plan as a whole but not by individual employer. That report may be obtained at www.imrf.org. The net pension liability (asset) for the governmental activities has been liquidated by the Employee Benefit Fund.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration (Continued)

The Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2018, the latest actuarial valuation date, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	185
Inactive employees entitled to but not yet receiving benefits	200
Active employees	<u>263</u>
 TOTAL	 <u><u>648</u></u>

Benefits Provided

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

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

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer rates for calendar years 2018 and 2019 were 9.74% and 7.78% respectively, of covered employee payroll.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The District's net pension liability (asset) was measured as of December 31, 2018, the latest actuarial valuation date and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Asset valuation method	Market value

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

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the IMRF total pension liability (asset) was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the employer's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. A discount rate of 7.50% was used in the previous valuation (2017).

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2018	\$ 62,187,912	\$ 62,487,738	\$ (299,826)
Changes for the period			
Service cost	1,138,992	-	1,138,992
Interest	4,588,906	-	4,588,906
Difference between expected and actual experience	(379,328)	-	(379,328)
Changes in assumptions	1,746,968	-	1,746,968
Employer contributions	-	1,143,933	(1,143,933)
Employee contributions	-	530,766	(530,766)
Net investment income	-	(3,420,325)	3,420,325
Benefit payments and refunds	(3,143,986)	(3,143,986)	-
Other (net transfer)	-	968,010	(968,010)
Net changes	3,951,552	(3,921,602)	7,873,154
BALANCES AT DECEMBER 31, 2018	\$ 66,139,464	\$ 58,566,136	\$ 7,573,328

Changes in assumptions related to the discount rate were made in 2018.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2019, the District recognized pension expense of \$1,274,671. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 511,996	\$ 525,285
Changes in assumption	1,361,800	1,072,082
Contributions made after the measurement date	918,842	-
Net difference between projected and actual earnings on pension plan investments	<u>3,956,762</u>	-
TOTAL	<u>\$ 6,749,400</u>	<u>\$ 1,597,367</u>

\$918,842 reported as deferred outflows or resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) for the measurement period ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2020	\$ 1,352,853
2021	497,617
2022	638,682
2023	<u>1,744,039</u>
TOTAL	<u>\$ 4,233,191</u>

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

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 of 7.25% as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 15,537,260	\$ 7,573,328	\$ 1,067,084

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the District provides other postemployment health care (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the District’s Internal Service Fund.

b. Benefits Provided

The District provides postemployment health care to its retirees. To be eligible for benefits, an employee must qualify for retirement under the District’s retirement plan (IMRF) and have been employed for at least seven years with the District.

All health care benefits are provided through the District’s self-insurance plan. The benefit levels are the same as those afforded to active employees; however, the retiree pays a blended premium which results in an implicit subsidy. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care, vision care, dental care, and prescriptions. The benefit is available until the employee becomes Medicare eligible at the age of 65. After age 65 the retiree may continue in the District’s program via a Medicare-supplement policy.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

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

Inactive plan members or beneficiaries currently receiving benefits	5
Active plan members	<u>166</u>
TOTAL	<u>171</u>

d. Total OPEB Liability

The District's total OPEB liability of \$518,613 was measured as of December 31, 2019 and was determined by an actuarial valuation as December 31, 2017, rolled forward to December 31, 2019.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2019, as determined by an actuarial valuation as of December 31, 2017, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2019, including updating the discount rate at December 31, 2019, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Inflation	2.50%
Salary increases	Varies by service
Discount rate	4.10%
Healthcare cost trend rates	8.50% Initial 4.00% Ultimate

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT DECEMBER 31, 2018	\$ 537,261
Changes for the period	
Service cost	24,791
Interest	18,735
Changes of assumptions	(27,020)
Benefit payments	<u>(35,154)</u>
Net changes	<u>(18,648)</u>
BALANCES AT DECEMBER 31, 2019	<u>\$ 518,613</u>

Changes in assumptions related to the discount rate were made in 2019.

g. Rate Sensitivity

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

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 560,173	\$ 518,613	\$ 480,636

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 4.00% to 8.50% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.00% to 7.50%) or 1 percentage point higher (5.00% to 9.50%) than the current rate:

	1% Decrease (3.00% to 7.50%)	Current Healthcare Rate (4.00% to 8.50%)	1% Increase (5.00% to 9.50%)
Total OPEB liability	\$ 467,451	\$ 518,613	\$ 578,141

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

- h. 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 \$8,925. 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
Changes in assumptions	\$ 9,947	\$ 23,160
Employer contributions subsequent to measurement date	40,230	-
TOTAL	\$ 50,177	\$ 23,160

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

<u>Year Ending December 31,</u>	
2020	\$ (1,871)
2021	(1,871)
2022	(1,871)
2023	(1,871)
2024	(1,869)
Thereafter	<u>(3,860)</u>
TOTAL	\$ 13,213

11. RISK MANAGEMENT

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health; injuries to employees; and net income losses. The District is a member of the Park District Risk Management Agency (PDRMA), a risk management pool of park and forest preserve districts and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials' and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

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

11. RISK MANAGEMENT (Continued)

In the event losses exceeded the per occurrence self-insured and reinsurance limit, the District would be liable for the excess amount. PDRMA’s Board of Directors evaluates the aggregate self-insured limit annually.

As a member of PDRMA, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District’s governing body. The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, to cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

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

Since 87% of PDRMA’s liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually as more recent loss information becomes available.

Complete financial statements for PDRMA can be obtained from the PDRMA’s administration offices at 2033 Burlington Avenue, Lisle, Illinois 60532.

The District maintains a partial self-insurance plan to cover the risks of health claims and has retained the services of an outside agency to administer its self-insurance claims. The District does not assume unlimited liability for health claims as it maintains a stop-loss coverage which covers medical expenses in excess of negotiated limits. Specific and aggregate stop-loss excess risk benefit coverage insurance was obtained in the amounts of \$60,000 and \$1,000,000 respectively, in addition to an administrative services contract to administer the plan. Costs of administration and claims for health insurance are charged to the Internal Services Fund as expenses when they are incurred.

The changes in claims and judgments are as follows:

	2019	2018
CLAIMS PAYABLE, JANUARY 1	\$ 576,396	\$ 786,365
Add: Claims incurred/premiums	2,915,378	2,370,084
Less: Claim paid/dismissed	(2,610,520)	(2,580,053)
CLAIMS PAYABLE, DECEMBER 31	<u>\$ 881,254</u>	<u>\$ 576,396</u>

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

12. OPERATING LEASES

The District entered into lease agreements for the rental of golf and beverage carts and a print management lease for the operation of the District. Payments are due annually for the golf and beverage carts. Payments are due monthly for the print management lease. Minimum payments due on the leases are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 175,038
TOTAL	\$ 175,038

13. RENTAL INCOME

The District leases building space to several tenants under the terms of operating leases. Monthly rental income for the year ended December 31, 2019 is approximately \$53,937 for the leases, with scheduled rent increases throughout the term of several of the leases. There are varied lease terms through December 2030.

The total rental income recognized by the District for these leases for the year ended December 31, 2019 was \$647,240.

Additionally, the District entered into a lease agreement with Six Flags MW, LLC in October 2018 to lease Magic Waters Waterpark. The District will receive \$425,000 per year for an initial term of ten years with an additional three ten-year option terms. The lease has an effective date of April 1, 2019.

Future minimum lease payments to be received by the District as of December 31, 2019 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 662,508
2021	615,250
2022	523,650
2023	523,650
2024	453,800
2025-2030	1,907,050
TOTAL	\$ 4,685,908

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

13. RENTAL INCOME (Continued)

The cost of the buildings being leased is \$17,255,382, accumulated depreciation is \$2,635,624, resulting in a \$14,619,758 book value, as of December 31, 2019.

14. CONTINGENCIES AND COMMITMENTS

On December 2, 2015, the District concluded its negotiations with the Illinois EPA and the Attorney General's Office and entered into a Consent Order settling the cleanup responsibilities of the District. Legal counsel has determined that the amount the District will be required to spend on clean up is between \$9,000,000 and \$10,000,000 over the term of the required remediation. The actual cost of remediation cannot be determined until the work is bid, awarded and completed as unanticipated costs overruns are expected to occur. The District has estimated its share of the cleanup costs to be approximately \$1,500,000 after recoveries from insurance and other related parties as of December 31, 2019. Based on future estimated costs, the District reported a special item of \$5,500,000 during the year ended December 31, 2019 to reduce the liability from \$7,000,000 to \$1,500,000.

The District has recorded a liability on the government-wide financial statement of net position of \$1,500,000 to record its estimated liability for outstanding claims.

There are also other claims against the District, the ultimate outcome of which cannot be determined at this time. Management, through consultation with legal counsel, does not believe that the potential loss to the District for claims not covered by insurance would materially affect the basic financial statements of the District.

15. SERVICE CONCESSION ARRANGEMENT

In January of 2016, the District entered into an arrangement with an operator to lease the restaurant and bar area of the Aldeen Golf Club and Practice Centre. The District's objective for entering into the agreement was to obtain an operator for the facilities that is knowledgeable in the field of food operations, catering and food service. The District will lease the premises, including all equipment to the operator for a term of five years, with an option to renew in one-year increments thereafter. The fee is recognized as a percentage of gross receipts of the operations, which includes all income of normal business, as well as special events that are hosted on the premises. The District recognized revenue in the amount of \$24,332 related to this arrangement.

16. CHANGE IN ACCOUNTING PRINCIPLE

The District implemented GASB Statement No. 84, *Fiduciary Activities*, for the year ended December 31, 2019. The opening net position for the District's custodial fund was restated by \$1,624,472 as of January 1, 2019.

17. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION

Nature of Business and Summary of Significant Accounting Policies

The Rockford Park District Foundation (the Foundation) is a nonprofit corporation organized under the laws of the State of Illinois for the purpose of promoting educational, scientific and charitable activities in the Rockford community area. The Foundation follows the standards set forth by the Financial Accounting Standards Board and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation is operated in conjunction with, and primarily for the benefit of the Rockford Park District (the District). The Foundation was established to support the operations and facilities of the District, to solicit and receive gifts, grants and bequests of real and personal property and to make contributions, grants, gifts and transfers of property for the benefit of the District or others associated with the District. The Foundation by-laws provide that the number of directors be not less than 10 or more than 40 and that one of the Directors shall be the President of the District Board of Commissioners or any other Park District Commissioner the President appoints. The Foundation is subsidized by the District for general and administrative expenses, which is included in the statement of activities.

a. Accounting and Reporting Basis

Assets, liabilities, revenue, and expenses are recognized on the accrual basis method of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Undesignated - Net assets that are not subject to donor-imposed restrictions or Board imposed stipulations.

Designated - Net assets subject to stipulations imposed by the Board of Directors and determined to be unavailable for general use.

Net Assets with Donor Restrictions

Net assets subject to donor-imposed restrictions that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations.

Net assets which require, by donor-imposed restriction, that the corpus be invested in perpetuity. In the absence of donor specifications, earnings on such funds are recognized as restricted for time until formally appropriated by the Foundation's board.

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

17. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)

Nature of Business and Summary of Significant Accounting Policies (Continued)

a. Accounting and Reporting Basis (Continued)

The Foundation has presented its assets and liabilities on the statement of financial position in an unclassified manner but in the order of liquidity.

b. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations during the reporting period. Accordingly, actual results could differ from those estimates.

c. Cash and Cash Equivalents

Cash and cash equivalents include demand deposits and highly liquid investments in various checking and money market accounts that are readily convertible to known amounts of cash. The Foundation's depository accounts from time-to-time may exceed FDIC insured limits. The Foundation did not have deposits in excess of federally insured limits at December 31, 2019. Management has not experienced any losses and does not believe there is any significant market risk associated with such balances.

d. Restricted Cash

The Foundation has restricted cash which consists of pledges received for the purpose of paying the long-term liability related to the construction of the Nicholas Conservatory and Gardens. Restricted cash is \$577,819 and \$1,602,620 as of December 31, 2019 and 2018, respectively.

e. Revenue Recognition

Contributions

When the Foundation receives contributions of cash, securities, other assets, services or space; an unconditional promise to give is received. Conditional promises to give - that is, those with a measurable or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

17. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)

Nature of Business and Summary of Significant Accounting Policies (Continued)

e. Revenue Recognition (Continued)

Contributions (Continued)

Contributions received and unconditional promises to give are measured at their fair values and are reported in net assets without donor restrictions unless the use of the related assets is limited by the donor-imposed restrictions. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

The Foundation reports gifts of goods and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues with donor restrictions and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

f. Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An estimate made for uncollectible pledges is based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible pledges by regularly evaluating individual receivables and considering a donor's financial condition and current economic conditions. Pledges receivable are written off when deemed uncollectible. Recoveries of pledges receivable previously written off are recorded when received. Interest on outstanding receivables is not charged.

17. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)

Nature of Business and Summary of Significant Accounting Policies (Continued)

g. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor. The Foundation has a 50% equity investment in a limited liability company (LLC). Based on donor's restrictions, the Foundation's proportionate income or loss allocated from the LLC, if any, is included in changes in net assets with donor restrictions. Investment return on the statement of activities is reported net of external and direct internal investment expense.

h. Fair Value Measurements

GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. GAAP requires the Foundation to maximize the use of observable inputs when measuring fair value.

The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2 or 3 but are separately reported.

17. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)

Nature of Business and Summary of Significant Accounting Policies (Continued)

h. Fair Value Measurements (Continued)

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the years ended December 31, 2019 and 2018.

Mutual funds: Valued at the NAV of shares on the last trading day of the fiscal year.

Equity securities and common stock: Valued at the closing quoted price in an active market.

Fixed income corporate bonds: The investment grade corporate bonds held by the Foundation generally do not trade in active markets on the measurement date. Therefore, corporate debt securities are valued using inputs including yields currently available on comparative securities of issuers with similar credit ratings, recent market price quotations where observable, bond spreads, and fundamental data relating to the issuer.

U.S. Government securities: U.S. Treasury bonds and notes in which the Foundation invests are usually “off the run” on the measurement date. Therefore, they are valued by a pricing service using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bid offers and reference data. U.S. Treasury bonds and notes that are “on the run” are measured at quoted prices in active markets for the same security.

i. Real Estate Held for Donation

Real estate held for donation consists of land and buildings that were donated or purchased with the intent that the property will be held until it can be used by the District. Real estate is recorded at its estimated fair market value at the date of donation or cost at the date of purchase. At the date of donation to the District the property is recorded as a donation expense.

j. Property and Equipment

All purchased property is recorded at the lower of cost or fair market value at the time of purchase. Donated property is recorded at the estimated fair market value on the date of donation. Buildings with a cost of \$5,000 or more are depreciated over an estimated useful life of 40 years using the straight-line method. Improvements are depreciated over an estimated useful life of 25 to 40 years using the straight-line method.

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

17. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)

Nature of Business and Summary of Significant Accounting Policies (Continued)

k. In-Kind Donated Services and Facilities

The Foundation receives donated services and facility expenses during the year which are recorded in the statement of activities as in-kind contributions from the Foundation at their fair value. The District is the donor of such services and facilities to the Foundation.

l. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

REQUIRED SUPPLEMENTARY INFORMATION

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 6,377,265	\$ 6,377,265	\$ 6,414,948	\$ 37,683
Other taxes	243,000	243,000	330,424	87,424
Fees and admissions	289,472	289,472	277,952	(11,520)
Investment income	63,000	63,000	77,445	14,445
Miscellaneous income	122,671	122,671	131,764	9,093
Total revenues	7,095,408	7,095,408	7,232,533	137,125
EXPENDITURES				
Current				
Park operations	4,132,919	4,061,000	4,059,370	(1,630)
Administration	5,910,145	5,362,000	5,360,812	(1,188)
Total expenditures	10,043,064	9,423,000	9,420,182	(2,818)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,947,656)	(2,327,592)	(2,187,649)	139,943
OTHER FINANCING SOURCES (USES)				
Transfers in	3,437,446	3,292,467	3,292,467	-
Transfers (out)	(489,790)	(1,283,144)	(1,283,144)	-
Total other financing sources (uses)	2,947,656	2,009,323	2,009,323	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (318,269)	(178,326)	\$ 139,943
FUND BALANCE, JANUARY 1			3,527,974	
FUND BALANCE, DECEMBER 31			\$ 3,349,648	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 6,305,128	\$ 6,305,128	\$ 6,342,740	\$ 37,612
Other taxes	688,500	688,500	936,202	247,702
Intergovernmental	1,059,109	1,059,109	1,150,456	91,347
Fees and admissions	9,134,518	9,134,518	8,676,567	(457,951)
Investment income	1,500	1,500	12,848	11,348
Miscellaneous income	895,065	1,050,218	956,131	(94,087)
Total revenues	18,083,820	18,238,973	18,074,944	(164,029)
EXPENDITURES				
Current				
Recreation operations				
Facilities	10,143,570	10,250,000	10,248,083	(1,917)
Programs	3,926,121	3,857,000	3,855,807	(1,193)
Total expenditures	14,069,691	14,107,000	14,103,890	(3,110)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,014,129	4,131,973	3,971,054	(160,919)
OTHER FINANCING SOURCES (USES)				
Transfers in	23,000	31,696	31,696	-
Transfers (out)	(4,037,129)	(3,879,584)	(3,879,584)	-
Total other financing sources (uses)	(4,014,129)	(3,847,888)	(3,847,888)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 284,085	123,166	\$ (160,919)
FUND BALANCE, JANUARY 1			22,872	
FUND BALANCE, DECEMBER 31			\$ 146,038	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Five Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 1,179,898	\$ 1,210,532	\$ 1,209,566	\$ 1,143,928	\$ 918,842
Contributions in relation to the actuarially determined contribution	1,179,898	1,210,532	1,209,566	1,143,928	918,842
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,783,924	\$ 11,330,087	\$ 11,812,130	\$ 11,744,693	\$ 11,920,094
Contributions as a percentage of covered payroll	10.94%	10.68%	10.24%	9.74%	7.71%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was five-year smoothed market and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

This information is presented as of the government's fiscal year end, rather than the measurement date of the plan as presented.

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

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31	2014	2015	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	\$ 1,141,037	\$ 1,116,323	\$ 1,153,885	\$ 1,211,849	\$ 1,138,992
Interest	3,796,960	4,058,985	4,324,937	4,482,500	4,588,906
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(699,746)	974,639	(638,604)	621,327	(379,328)
Changes of assumptions	1,714,348	69,460	(71,065)	(1,832,217)	1,746,968
Benefits payments, including refunds of member contributions	(2,298,770)	(2,594,373)	(2,635,991)	(2,912,574)	(3,143,986)
Net change in total pension liability	3,653,829	3,625,034	2,133,162	1,570,885	3,951,552
Total pension liability - beginning	51,205,002	54,858,831	58,483,865	60,617,027	62,187,912
TOTAL PENSION LIABILITY - ENDING	\$ 54,858,831	\$ 58,483,865	\$ 60,617,027	\$ 62,187,912	\$ 66,139,464
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 1,178,537	\$ 1,179,898	\$ 1,210,528	\$ 1,387,513	\$ 1,143,933
Contributions - member	457,530	494,501	513,138	558,563	530,766
Net investment income	3,071,467	259,828	3,607,778	9,625,998	(3,420,325)
Benefit payments, including refunds of member contributions	(2,298,770)	(2,594,373)	(2,635,991)	(2,912,574)	(3,143,986)
Other	(666,433)	359,279	49,886	(1,041,836)	968,010
Net change in plan fiduciary net position	1,742,331	(300,867)	2,745,339	7,617,664	(3,921,602)
Plan fiduciary net position - beginning	50,683,271	52,425,602	52,124,735	54,870,074	62,487,738
PLAN FIDUCIARY NET POSITION - ENDING	\$ 52,425,602	\$ 52,124,735	\$ 54,870,074	\$ 62,487,738	\$ 58,566,136
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ 2,433,229	\$ 6,359,130	\$ 5,746,953	\$ (299,826)	\$ 7,573,328
Plan fiduciary net position as a percentage of the total pension liability	95.56%	89.13%	90.52%	100.48%	88.55%
Covered payroll	\$ 10,245,500	\$ 10,783,924	\$ 11,399,278	\$ 11,812,130	\$ 11,744,693
Employer's net pension liability (asset) as a percentage of covered payroll	23.75%	58.97%	50.42%	(2.54%)	64.48%

Changes in assumptions related to retirement age and mortality were made in 2015. There was a change in the discount rate assumption from 2015 to 2016. Changes in assumptions related to retirement age and mortality were made in 2017. There was a change in the discount rate assumption from 2017 to 2018.

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

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2017	2018
TOTAL OPEB LIABILITY		
Service cost	\$ 22,432	\$ 24,791
Interest	19,656	18,735
Differences between expected and actual experience	-	-
Changes of benefit terms	-	-
Changes of assumptions	13,925	(27,020)
Benefit payments	(32,326)	(35,154)
	<hr/>	<hr/>
Net change in total OPEB liability	23,687	(18,648)
Total OPEB liability - beginning	<hr/>	<hr/>
	513,574	537,261
TOTAL OPEB LIABILITY - ENDING	<hr/> <hr/>	<hr/> <hr/>
	\$ 537,261	\$ 518,613
Covered payroll	\$ 10,207,214	\$ 10,609,091
Employer's total OPEB liability as a percentage of covered payroll	5.26%	4.89%

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

For December 31, 2017 the health care trend rate assumption has been updated from the prior valuation to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries. The discount rate has been updated from 3.78% to 3.44%. The annual per capita claims costs and premium rates have been updated.

For December 31, 2018 the discount rate has been updated from 3.44% to 4.10%.

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

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

BUDGET AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the required supplementary information.

The District adopts its budget and appropriation ordinance on an annual basis. This budget and appropriation ordinance is prepared in accordance with state law which requires a public hearing and making the tentative budget and appropriation ordinance available for public inspection at least 30 days prior to adoption by the Board of Commissioners.

Budgeted revenues are based on estimates approved by the Board of Commissioners. The District's operations are organized as recreational park programs. The amounts budgeted for each department's expenditure object classification (i.e., personnel cost, employee benefits, commodities, services, capital outlays and debt service) are accumulated to a total for the fund. Expenditures may not legally exceed the amount appropriated for each object classification within each fund. The Board of Commissioners, after the first six months of the year, may make transfers between these object classifications while retaining the total appropriation for the fund. The Board of Commissioners also may adjust the appropriation amount by following the same procedure as required for the original appropriation.

All appropriations of the District lapse at the end of each calendar year. Budgetary information included in financial statements represents amounts approved by the Board of Commissioners as identified in the final amended budget. The departmental budget and fund appropriations presented in the financial statements are presented in accordance with GAAP as they are based upon the modified accrual basis of accounting. Budgets and appropriations were adopted for all funds, except the Working Cash Fund.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULE**

MAJOR GOVERNMENTAL FUNDS

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 6,377,265	\$ 6,377,265	\$ 6,414,948	\$ 37,683
Other taxes	243,000	243,000	330,424	87,424
Fees and admissions	289,472	289,472	277,952	(11,520)
Investment income	63,000	63,000	77,445	14,445
Miscellaneous income	122,671	122,671	131,764	9,093
Total revenues	7,095,408	7,095,408	7,232,533	137,125
EXPENDITURES				
Current				
Personnel costs	5,593,985	5,401,000	5,400,159	(841)
Employee benefits	1,258,123	1,083,000	1,082,075	(925)
Commodities	608,209	599,000	598,369	(631)
Professional services	2,582,747	2,340,000	2,339,579	(421)
Total expenditures	10,043,064	9,423,000	9,420,182	(2,818)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,947,656)	(2,327,592)	(2,187,649)	139,943
OTHER FINANCING SOURCES (USES)				
Transfers in	3,437,446	3,292,467	3,292,467	-
Transfers (out)	(489,790)	(1,283,144)	(1,283,144)	-
Total other financing sources (uses)	2,947,656	2,009,323	2,009,323	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (318,269)	(178,326)	\$ 139,943
FUND BALANCE, JANUARY 1			3,527,974	
FUND BALANCE, DECEMBER 31			\$ 3,349,648	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 6,305,128	\$ 6,305,128	\$ 6,342,740	\$ 37,612
Other taxes	688,500	688,500	936,202	247,702
Intergovernmental	1,059,109	1,059,109	1,150,456	91,347
Fees and admissions	9,134,518	9,134,518	8,676,567	(457,951)
Investment income	1,500	1,500	12,848	11,348
Miscellaneous income	895,065	1,050,218	956,131	(94,087)
Total revenues	18,083,820	18,238,973	18,074,944	(164,029)
EXPENDITURES				
Current				
Personnel costs	8,329,996	8,202,000	8,200,296	(1,704)
Employee benefits	1,286,946	1,064,000	1,063,090	(910)
Commodities	1,741,085	1,996,000	1,995,929	(71)
Professional services	2,711,664	2,845,000	2,844,575	(425)
Total expenditures	14,069,691	14,107,000	14,103,890	(3,110)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,014,129	4,131,973	3,971,054	(160,919)
OTHER FINANCING SOURCES (USES)				
Transfers in	23,000	31,696	31,696	-
Transfers (out)	(4,037,129)	(3,879,584)	(3,879,584)	-
Total other financing sources (uses)	(4,014,129)	(3,847,888)	(3,847,888)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 284,085	123,166	\$ (160,919)
FUND BALANCE, JANUARY 1			22,872	
FUND BALANCE, DECEMBER 31			\$ 146,038	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
DEBT SERVICE FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 5,678,428	\$ 5,688,055	\$ 5,713,745	\$ 25,690
Investment income	24,000	24,000	54,801	30,801
Total revenues	<u>5,702,428</u>	<u>5,712,055</u>	<u>5,768,546</u>	<u>56,491</u>
EXPENDITURES				
Debt service				
Principal	5,550,000	5,550,000	5,550,000	-
Interest and fiscal charges	205,321	205,496	205,496	-
Total expenditures	<u>5,755,321</u>	<u>5,755,496</u>	<u>5,755,496</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (52,893)</u></u>	<u><u>\$ (43,441)</u></u>	13,050	<u><u>\$ 56,491</u></u>
FUND BALANCE, JANUARY 1			<u>348,416</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 361,466</u></u>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Intergovernmental	\$ 1,568,764	\$ 1,568,764	\$ 2,024,600	\$ 455,836
Local donations	810,378	810,378	905,941	95,563
Fees and admissions	100,000	100,000	113,800	13,800
Investment income	50,000	50,000	209,542	159,542
Miscellaneous income	-	-	507,250	507,250
Total revenues	2,529,142	2,529,142	3,761,133	1,231,991
EXPENDITURES				
Current				
Personnel costs	523,321	492,000	491,294	(706)
Employee benefits	103,496	79,200	79,125	(75)
Commodities	11,100	7,900	7,806	(94)
Professional services	276,565	2,354,000	2,353,067	(933)
Capital outlay	10,173,691	5,019,500	5,019,106	(394)
Debt service				
Principal	1,416,876	2,081,000	2,080,892	(108)
Interest and fiscal charges	1,927,232	1,947,000	1,946,720	(280)
Total expenditures	14,432,281	11,980,600	11,978,010	(2,590)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,903,139)	(9,451,458)	(8,216,877)	1,234,581
OTHER FINANCING SOURCES (USES)				
Transfers in	1,187,722	2,464,602	2,464,602	-
Transfers (out)	-	(64,394)	(64,394)	-
Issuance of refunding bonds	18,270,200	18,270,200	13,180,000	(5,090,200)
Premium on issuance of bonds	-	-	141,481	141,481
Payment to refunding escrow agent	(7,330,000)	(7,229,000)	(7,228,908)	92
Insurance proceeds	-	-	100,309	100,309
Proceeds from the sale of capital assets	20,000	20,000	1,022,849	1,002,849
Total other financing sources (uses)	12,147,922	13,461,408	9,615,939	(3,845,469)
NET CHANGE IN FUND BALANCE	\$ 244,783	\$ 4,009,950	1,399,062	\$ (2,610,888)
FUND BALANCE, JANUARY 1			8,554,857	
FUND BALANCE, DECEMBER 31			\$ 9,953,919	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Museum Fund - to account for the operations of the District's museums. Financing is provided by a specific annual property tax levy restricted for museum purposes.

Police Protection Fund - to account for property taxes restricted statute for providing public safety at the parks, playgrounds and other facilities maintained by the District.

Employee Benefit Fund - to account for the activities resulting from the District's participation in the IMRF and funding for the District's Social Security expenditures. Financing is provided by a specific annual restricted property tax levy.

Liability Insurance Fund - to account for the expenditures in connection with the District's liability insurance costs. Financing is provided from an annual restricted property tax levy.

Audit Fund - to account for the expenditures in connection with the District's annual financial and compliance audit, which is mandated by state statute. Financing is provided from an annual restricted property tax levy.

Special Recreation Fund - to account for the expenditure in connection with the District's participation in the special recreation activities, which provides recreation programs to the handicapped and impaired. Financing is provided from an annual restricted property tax levy.

PERMANENT FUND

Working Cash Fund - to account for the working cash funds of the District which are required by statute to be used to provide short-term cash loans to other operating funds of the District.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	Special Revenue					Special Recreation	Permanent Working Cash	Total
	Museum	Police Protection	Employee Benefit	Liability Insurance	Audit			
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
ASSETS								
Cash	\$ 48,255	\$ 22,413	\$ 117,924	\$ 131,241	\$ 5,541	\$ 133,063	\$ 57,124	\$ 515,561
Investments	552,506	256,622	1,350,187	1,502,667	63,447	1,523,529	654,056	5,903,014
Receivables (net, where applicable, of allowances for uncollectibles)								
Property taxes	1,606,975	576,833	1,668,192	853,237	56,599	866,479	-	5,628,315
Accounts	-	404	-	-	-	770	-	1,174
Accrued interest	552	256	1,348	1,501	64	1,521	652	5,894
Total assets	2,208,288	856,528	3,137,651	2,488,646	125,651	2,525,362	711,832	12,053,958
DEFERRED OUTFLOWS OF RESOURCES								
None	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,208,288	\$ 856,528	\$ 3,137,651	\$ 2,488,646	\$ 125,651	\$ 2,525,362	\$ 711,832	\$ 12,053,958

	Special Revenue						Permanent	Total
	Museum	Police Protection	Employee Benefit	Liability Insurance	Audit	Special Recreation	Working Cash	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ -	\$ 6,298	\$ -	\$ 248,271	\$ 8,000	\$ 6,981	\$ -	\$ 269,550
Accrued payroll	-	10,230	201,049	-	-	2,432	-	213,711
Unearned revenue	-	-	-	-	-	566	-	566
Total liabilities	-	16,528	201,049	248,271	8,000	9,979	-	483,827
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	1,606,975	576,833	1,668,192	853,237	56,599	866,479	-	5,628,315
Total deferred inflows of resources	1,606,975	576,833	1,668,192	853,237	56,599	866,479	-	5,628,315
Total liabilities and deferred inflows of resources	1,606,975	593,361	1,869,241	1,101,508	64,599	876,458	-	6,112,142
FUND BALANCES								
Restricted for museum operations	576,229	-	-	-	-	-	-	576,229
Restricted for police protection	-	6,577	-	-	-	-	-	6,577
Restricted for employee benefits	-	-	1,268,410	-	-	-	-	1,268,410
Restricted for liability insurance	-	-	-	1,387,138	-	-	-	1,387,138
Restricted for audit	-	-	-	-	58,394	-	-	58,394
Restricted for working cash	-	-	-	-	-	-	711,832	711,832
Restricted for special recreation	-	-	-	-	-	1,570,510	-	1,570,510
Unrestricted								
Assigned for museum operations	25,084	-	-	-	-	-	-	25,084
Assigned for police protection	-	256,590	-	-	-	-	-	256,590
Assigned for audit	-	-	-	-	2,658	-	-	2,658
Assigned for special recreation	-	-	-	-	-	78,394	-	78,394
Total fund balances	601,313	263,167	1,268,410	1,387,138	61,052	1,648,904	711,832	5,941,816
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,208,288	\$ 856,528	\$ 3,137,651	\$ 2,488,646	\$ 125,651	\$ 2,525,362	\$ 711,832	\$ 12,053,958

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2019

	Special Revenue					Special Recreation	Permanent Working Cash	Total Nonmajor Governmental Funds
	Museum	Police Protection	Employee Benefit	Liability Insurance	Audit			
REVENUES								
Property taxes	\$ 1,527,693	\$ 547,142	\$ 1,605,889	\$ 897,354	\$ 61,267	\$ 873,267	\$ -	\$ 5,512,612
Other taxes	-	826,061	660,848	-	-	-	-	1,486,909
Intergovernmental	-	20	-	-	-	-	-	20
Fees and admissions	-	57,082	-	-	-	49,056	-	106,138
Investment income	10,713	6,728	25,947	30,596	971	30,380	13,757	119,092
Miscellaneous income	-	-	-	-	-	52,261	-	52,261
Total revenues	1,538,406	1,437,033	2,292,684	927,950	62,238	1,004,964	13,757	7,277,032
EXPENDITURES								
Current								
Park operations	-	-	304,579	129,385	-	-	-	433,964
Recreation operations								
Facilities	-	-	747,374	409,450	-	-	-	1,156,824
Programs	-	-	368,157	179,580	-	-	-	547,737
Therapeutic operations	-	-	82,523	50,290	-	792,971	-	925,784
Museum operations	1,052,066	-	-	-	-	-	-	1,052,066
Police protection	-	1,350,573	140,981	43,065	-	-	-	1,534,619
Administration	-	-	430,033	138,892	62,871	-	-	631,796
Total expenditures	1,052,066	1,350,573	2,073,647	950,662	62,871	792,971	-	6,282,790
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	486,340	86,460	219,037	(22,712)	(633)	211,993	13,757	994,242

	Special Revenue					Special Recreation	Permanent Working Cash	Nonmajor Governmental Funds
	Museum	Police Protection	Employee Benefit	Liability Insurance	Audit			
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ 44,101	\$ -	\$ -	\$ 19,083	\$ -	\$ 63,184
Transfers (out)	(473,137)	-	-	-	-	(137,933)	(13,757)	(624,827)
Total other financing sources (uses)	(473,137)	-	44,101	-	-	(118,850)	(13,757)	(561,643)
NET CHANGE IN FUND BALANCES	13,203	86,460	263,138	(22,712)	(633)	93,143	-	432,599
FUND BALANCES, JANUARY 1	588,110	176,707	1,005,272	1,409,850	61,685	1,555,761	711,832	5,509,217
FUND BALANCES, DECEMBER 31	\$ 601,313	\$ 263,167	\$ 1,268,410	\$ 1,387,138	\$ 61,052	\$ 1,648,904	\$ 711,832	\$ 5,941,816

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
MUSEUM FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 1,517,646	\$ 1,517,646	\$ 1,527,693	\$ 10,047
Investment income	7,000	7,000	10,713	3,713
Total revenues	<u>1,524,646</u>	<u>1,524,646</u>	<u>1,538,406</u>	<u>13,760</u>
EXPENDITURES				
Current				
Museum operations				
Professional services	1,051,509	1,052,500	1,052,066	(434)
Total expenditures	<u>1,051,509</u>	<u>1,052,500</u>	<u>1,052,066</u>	<u>(434)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>473,137</u>	<u>472,146</u>	<u>486,340</u>	<u>14,194</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(473,137)	(473,137)	(473,137)	-
Total other financing sources (uses)	<u>(473,137)</u>	<u>(473,137)</u>	<u>(473,137)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (991)</u>	<u>13,203</u>	<u>\$ 14,194</u>
FUND BALANCE, JANUARY 1			<u>588,110</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 601,313</u></u>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
POLICE PROTECTION FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 542,022	\$ 542,022	\$ 547,142	\$ 5,120
Other taxes	607,500	607,500	826,061	218,561
Intergovernmental	-	-	20	20
Fees and admissions	19,650	19,650	57,082	37,432
Investment income	4,500	4,500	6,728	2,228
Total revenues	1,173,672	1,173,672	1,437,033	263,361
EXPENDITURES				
Current				
Police protection				
Personnel costs	1,019,422	1,036,500	1,036,363	(137)
Employee benefits	221,166	191,000	190,563	(437)
Commodities	60,300	59,500	59,214	(286)
Professional services	76,902	64,500	64,433	(67)
Total expenditures	1,377,790	1,351,500	1,350,573	(927)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(204,118)	(177,828)	86,460	264,288
OTHER FINANCING SOURCES (USES)				
Transfers in	204,118	-	-	-
Total other financing sources (uses)	204,118	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (177,828)	86,460	\$ 264,288
FUND BALANCE, JANUARY 1			176,707	
FUND BALANCE, DECEMBER 31			\$ 263,167	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
EMPLOYEE BENEFIT FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 1,593,725	\$ 1,596,919	\$ 1,605,889	\$ 8,970
Other taxes	486,000	486,000	660,848	174,848
Investment income	17,000	17,000	25,947	8,947
Total revenues	<u>2,096,725</u>	<u>2,099,919</u>	<u>2,292,684</u>	<u>192,765</u>
EXPENDITURES				
Current				
Park operations	332,203	304,631	304,579	(52)
Recreation operations				
Facilities	815,160	747,501	747,374	(127)
Programs	401,549	368,220	368,157	(63)
Therapeutic operations	90,008	82,537	82,523	(14)
Police protection	153,768	141,005	140,981	(24)
Administration	469,037	430,106	430,033	(73)
Total expenditures	<u>2,261,725</u>	<u>2,074,000</u>	<u>2,073,647</u>	<u>(353)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(165,000)</u>	<u>25,919</u>	<u>219,037</u>	<u>193,118</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	165,000	44,101	44,101	-
Total other financing sources (uses)	<u>165,000</u>	<u>44,101</u>	<u>44,101</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 70,020</u>	<u>263,138</u>	<u>\$ 193,118</u>
FUND BALANCE, JANUARY 1			<u>1,005,272</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,268,410</u>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
LIABILITY INSURANCE FUND

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 891,488	\$ 891,488	\$ 897,354	\$ 5,866
Investment income	23,000	23,000	30,596	7,596
Total revenues	914,488	914,488	927,950	13,462
EXPENDITURES				
Current				
Park operations	139,433	129,431	129,385	(46)
Recreation operations				
Facilities	441,247	409,596	409,450	(146)
Programs	193,526	179,644	179,580	(64)
Therapeutic operations	54,195	50,308	50,290	(18)
Police protection	46,409	43,080	43,065	(15)
Administration	149,678	138,941	138,892	(49)
Total expenditures	1,024,488	951,000	950,662	(338)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(110,000)	(36,512)	(22,712)	13,800
OTHER FINANCING SOURCES (USES)				
Transfers in	110,000	-	-	-
Total other financing sources (uses)	110,000	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (36,512)	(22,712)	\$ 13,800
FUND BALANCE, JANUARY 1			<u>1,409,850</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,387,138</u>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT
AUDIT FUND**

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Property taxes	\$ 59,993	\$ 59,993	\$ 61,267	\$ 1,274
Investment income	700	700	971	271
	<hr/>			
Total revenues	60,693	60,693	62,238	1,545
<hr/>				
EXPENDITURES				
Current				
Administration				
Professional services	60,693	62,900	62,871	(29)
	<hr/>			
Total expenditures	60,693	62,900	62,871	(29)
<hr/>				
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (2,207)</u>	(633)	<u>\$ 1,574</u>
FUND BALANCE, JANUARY 1			<u>61,685</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 61,052</u>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 866,549	\$ 866,549	\$ 873,267	\$ 6,718
Fees and admissions	56,074	56,074	49,056	(7,018)
Investment income	23,000	23,000	30,380	7,380
Miscellaneous income	51,500	65,564	52,261	(13,303)
Total revenues	997,123	1,011,187	1,004,964	(6,223)
EXPENDITURES				
Current				
Therapeutic operations				
Personnel costs	637,081	607,000	606,625	(375)
Employee benefits	112,052	72,000	71,530	(470)
Commodities	21,779	38,000	37,702	(298)
Professional services	98,981	77,500	77,114	(386)
Total expenditures	869,893	794,500	792,971	(1,529)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	127,230	216,687	211,993	(4,694)
OTHER FINANCING SOURCES (USES)				
Transfers in	12,000	19,000	19,083	83
Transfers (out)	(139,230)	(138,000)	(137,933)	67
Total other financing sources (uses)	(127,230)	(119,000)	(118,850)	150
NET CHANGE IN FUND BALANCE	\$ -	\$ 97,687	93,143	\$ (4,544)
FUND BALANCE, JANUARY 1			1,555,761	
FUND BALANCE, DECEMBER 31			\$ 1,648,904	

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES AND EXPENDITURES
RECREATION FUND DEPARTMENTS
ICE ARENAS

For the Year Ended December 31, 2019

	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Fees and admissions	\$ 1,667,094	\$ 1,638,585	\$ (28,509)
Other income	65,400	50,650	(14,750)
Total revenues	1,732,494	1,689,235	(43,259)
EXPENDITURES			
Current			
Personnel costs	1,054,566	1,078,127	23,561
Employee benefits	187,694	171,740	(15,954)
Commodities	234,643	231,569	(3,074)
Professional services	541,540	512,298	(29,242)
Total expenditures	2,018,443	1,993,734	(24,709)
REVENUES OVER (UNDER) EXPENDITURES	\$ (285,949)	\$ (304,499)	\$ (18,550)

Note: Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES AND EXPENDITURES
RECREATION FUND DEPARTMENTS
SPORTSCORE OPERATIONS

For the Year Ended December 31, 2019

	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Fees and admissions	\$ 1,983,065	\$ 1,860,058	\$ (123,007)
Other income	226,750	261,682	34,932
Total revenues	2,209,815	2,121,740	(88,075)
EXPENDITURES			
Current			
Personnel costs	1,170,573	1,052,459	(118,114)
Employee benefits	178,775	139,539	(39,236)
Commodities	476,574	509,797	33,223
Professional services	434,310	417,293	(17,017)
Total expenditures	2,260,232	2,119,088	(141,144)
REVENUES OVER (UNDER) EXPENDITURES	\$ (50,417)	\$ 2,652	\$ 53,069

Note: Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES AND EXPENDITURES
RECREATION FUND DEPARTMENTS
GOLF COURSES

For the Year Ended December 31, 2019

	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Fees and admissions	\$ 2,871,436	\$ 2,515,594	\$ (355,842)
Other income	133,724	185,285	51,561
Total revenues	3,005,160	2,700,879	(304,281)
EXPENDITURES			
Current			
Personnel costs	1,741,889	1,760,246	18,357
Employee benefits	195,655	164,692	(30,963)
Commodities	514,440	661,925	147,485
Professional services	344,737	468,670	123,933
Total expenditures	2,796,721	3,055,533	258,812
REVENUES OVER (UNDER) EXPENDITURES			
	\$ 208,439	\$ (354,654)	\$ (563,093)

Note: Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended December 31, 2019

CSFA Number	Program Name	State	Federal	Other	Total
420-00-1960	Site Improvements	\$ 137,166	\$ -	\$ 95,587	\$ 232,753
422-11-0970	Open Space Land Acquisition & Development	38,882	-	38,882	77,764
422-11-1095	Boat Access Area Development	-	-	2,675	2,675
422-11-1154	Recreational Trails Program	-	183,484	248,769	432,253
422-11-1163	Snowmobile Local Government	12,572	-	-	12,572
494-00-1000	Illinois Transportation Enhancements Program	-	45,388	11,347	56,735
532-60-0378	Section 319(h) - Nonpoint Source Pollution Control Financial Assistance Program	-	46,582	19,188	65,770
586-18-0408	Special Milk Program	-	1,917	-	1,917
	Other grant programs and activities	-	-	-	-
	All other costs not allocated	-	-	39,097,956	39,097,956
	TOTAL	<u>\$ 188,620</u>	<u>\$ 277,371</u>	<u>\$ 39,514,404</u>	<u>\$ 39,980,395</u>

(See independent auditor's report.)

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have been changed over time.	82-87
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	88-91
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	92-96
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.	97-98
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.	99-101

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

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 59,658,439	\$ 60,731,795	\$ 63,657,961	\$ 64,804,127	\$ 66,466,818	\$ 66,137,281	\$ 66,751,016	\$ 67,076,660	\$ 65,477,746	\$ 66,949,373
Restricted	6,746,101	6,113,673	8,816,174	7,587,233	17,906,021	16,913,944	16,380,920	16,324,786	19,622,644	17,059,642
Unrestricted	(11,603,800)	(9,736,397)	(11,049,544)	(10,245,096)	(10,571,903)	(10,000,303)	(8,779,507)	(10,479,582)	(8,169,392)	(201,996)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 54,800,740	\$ 57,109,071	\$ 61,424,591	\$ 62,146,264	\$ 73,800,936	\$ 73,050,922	\$ 74,352,429	\$ 72,921,864	\$ 76,930,998	\$ 83,807,019

Note

Increases in unrestricted net position for fiscal years 2018 and 2019 are due to reductions in the estimated Sand Park liability.

Data Source

Audited financial statements

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES										
Governmental activities										
Park operations	\$ 6,645,990	\$ 6,440,226	\$ 6,416,140	\$ 6,354,290	\$ 6,527,857	\$ 6,878,434	\$ 6,807,504	\$ 6,619,566	\$ 6,546,077	\$ 7,450,503
Recreation operations	17,579,763	19,893,296	20,949,593	19,604,372	19,641,401	19,829,648	22,046,390	24,068,759	25,140,864	20,191,774
Museum operations	2,663,683	2,161,593	2,043,907	2,259,746	1,791,665	1,771,005	1,605,201	1,616,431	1,708,997	1,713,213
Police protection	2,098,284	2,074,287	2,043,411	1,984,336	1,932,322	1,940,498	1,533,013	1,601,164	1,668,729	1,618,528
Administration	7,808,941	7,124,545	6,912,356	7,084,225	6,930,477	7,125,634	7,893,541	7,484,737	7,362,650	6,844,501
Interest on debt	517,610	624,187	681,339	536,339	775,660	498,884	1,612,460	1,465,874	2,252,762	2,161,876
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	\$ 37,314,271	\$ 38,318,134	\$ 39,046,746	\$ 37,823,308	\$ 37,599,382	\$ 38,044,103	\$ 41,498,109	\$ 42,856,531	\$ 44,680,079	\$ 39,980,395
PROGRAM REVENUES										
Governmental activities										
Program revenues										
Charges for services										
Recreation operations	\$ 10,066,022	\$ 9,794,420	\$ 10,252,999	\$ 8,328,295	\$ 8,313,033	\$ 9,169,912	\$ 10,353,537	\$ 10,224,538	\$ 10,255,875	\$ 8,842,337
Other	695,466	374,571	313,189	323,438	338,082	340,170	345,443	307,381	325,418	335,026
Operating grants and contributions	280,935	1,238,228	1,581,212	922,910	967,790	967,879	1,417,125	1,592,625	1,438,550	1,768,356
Capital grants and contributions	9,015,757	4,425,937	2,410,343	2,112,428	12,917,539	2,093,680	2,469,758	2,506,510	2,730,679	2,152,352
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	\$ 20,058,180	\$ 15,833,156	\$ 14,557,743	\$ 11,687,071	\$ 22,536,444	\$ 12,571,641	\$ 14,585,863	\$ 14,631,054	\$ 14,750,522	\$ 13,098,071
NET REVENUE (EXPENSE)										
Governmental activities	\$ (17,256,091)	\$ (22,484,978)	\$ (24,489,003)	\$ (26,136,237)	\$ (15,062,938)	\$ (25,472,462)	\$ (26,912,246)	\$ (28,225,477)	\$ (29,929,557)	\$ (26,882,324)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities										
Taxes										
Property	\$ 22,028,216	\$ 22,394,484	\$ 22,724,413	\$ 23,285,043	\$ 23,564,421	\$ 23,544,225	\$ 23,613,467	\$ 23,678,883	\$ 23,782,627	\$ 23,984,045
Other taxes	2,423,247	2,135,389	2,139,301	2,371,606	2,441,525	2,304,035	2,306,928	2,585,949	2,364,529	2,753,535
Investment earnings	42,986	49,139	30,611	23,965	22,857	22,967	55,986	134,838	377,353	473,728
Other	99,689	214,297	143,732	1,475,848	367,103	1,282,547	699,305	395,242	701,194	1,047,037
Gain on sale of capital assets	-	-	-	-	23,152	1,903	14,875	-	-	-
SPECIAL ITEM	-	-	-	-	-	-	-	-	5,000,000	5,500,000
TOTAL GOVERNMENTAL ACTIVITIES	\$ 24,594,138	\$ 24,793,309	\$ 25,038,057	\$ 27,156,462	\$ 26,419,058	\$ 27,155,677	\$ 26,690,561	\$ 26,794,912	\$ 32,225,703	\$ 33,758,345
CHANGE IN NET POSITION										
Governmental activities	\$ 7,338,047	\$ 2,308,331	\$ 549,054	\$ 1,020,225	\$ 11,356,120	\$ 1,683,215	\$ (221,685)	\$ (1,430,565)	\$ 2,296,146	\$ 6,876,021

Note

In 2019, the District outsourced the operations of Magic Waters.

Data Source

Audited financial statements

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL FUND										
Nonspendable in form - inventory	\$ -	\$ 49,460	\$ 54,810	\$ 50,192	\$ 44,449	\$ 44,292	\$ 49,150	\$ 41,472	\$ 39,866	\$ 39,156
Nonspendable in form - prepaid items	-	35,960	43,700	5,000	5,000	58,865	87,507	-	48,492	50,873
Nonspendable in form - long-term receivables	-	-	-	30,000	30,000	27,010	24,040	21,050	18,060	15,070
Reserved/Restricted	1,650,411	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned	2,515,983	2,771,216	2,783,571	2,913,971	3,013,138	2,941,347	3,147,914	3,415,659	3,421,556	3,244,549
TOTAL GENERAL FUND	\$ 4,166,394	\$ 2,856,636	\$ 2,882,081	\$ 2,999,163	\$ 3,092,587	\$ 3,071,514	\$ 3,308,611	\$ 3,478,181	\$ 3,527,974	\$ 3,349,648
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable in form - inventory	\$ -	\$ 97,384	\$ 91,227	\$ 70,107	\$ 75,122	\$ 91,899	\$ 92,067	\$ 94,986	\$ 75,410	\$ 136,930
Nonspendable in form - prepaid items	-	992,360	-	2,550	65,060	6,480	13,818	7,350	9,459	19,048
Nonspendable in form - long-term receivables	-	-	-	100,000	117,000	89,990	-	-	-	-
Reserved/Restricted										
Special revenue funds	3,953,186	-	-	-	-	-	-	-	-	-
Permanent funds	711,834	-	-	-	-	-	-	-	-	-
Debt service fund	614,492	-	-	-	-	-	-	-	-	-
Restricted for museum operations	-	613,531	614,886	581,826	572,124	572,124	569,930	573,617	573,739	576,229
Restricted for police protection	-	55,860	25,076	12,173	10,014	-	7,355	6,221	6,406	6,577
Restricted for employee benefits	-	1,154,228	1,154,228	1,155,723	1,155,723	1,087,854	970,192	915,611	1,005,272	1,268,410
Restricted for audit	-	20,385	27,201	37,570	49,121	49,570	55,867	60,196	59,998	58,394
Restricted for working cash	-	711,834	711,834	711,834	711,834	711,834	711,834	711,832	711,832	711,832
Restricted for special recreation	-	1,402,229	1,444,389	1,423,890	1,439,592	1,438,610	1,476,179	1,509,882	1,507,748	1,570,510
Restricted for debt service	-	602,989	545,943	521,600	487,764	432,406	386,283	358,733	348,416	361,466
Restricted for liability insurance	-	1,552,617	1,552,617	1,552,617	1,552,617	1,512,541	1,478,822	1,448,758	1,409,850	1,387,138
Restricted for capital projects	-	2,175,617	5,356,161	1,948,086	2,886,086	2,901,171	5,098,643	6,476,137	7,265,609	6,484,542
Unreserved/Unrestricted reported in										
Assigned for specific purposes	-	220,476	212,597	246,924	367,020	236,427	512,244	832,162	1,517,937	3,815,966
Special revenue funds	(71,777)	-	-	-	-	-	-	-	-	-
Capital projects fund	6,087,175	-	-	-	3,421,556	-	-	-	-	-
Unassigned	-	(247,953)	-	-	(70,142)	(98,094)	(59,436)	(88,986)	(56,314)	6,197
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 11,294,910	\$ 9,351,557	\$ 11,736,159	\$ 8,364,900	\$ 12,840,491	\$ 9,032,812	\$ 11,313,798	\$ 12,906,499	\$ 14,435,362	\$ 16,403,239

Note

GASB Statement No. 54 was implemented in 2011.

Data Source

Audited financial statements

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Property taxes	\$ 22,028,215	\$ 22,394,484	\$ 22,724,413	\$ 23,285,043	\$ 23,564,421	\$ 23,544,225	\$ 23,613,468	\$ 23,678,882	\$ 23,782,627	\$ 23,984,045
Intergovernmental and other taxes	3,949,944	4,665,418	4,799,172	3,440,428	5,581,534	4,577,532	5,495,402	6,141,026	4,369,201	5,928,611
Local donations	6,001,755	2,305,525	1,855,157	1,920,552	1,499,113	842,821	596,641	474,930	604,037	905,941
Fees and admissions	10,338,099	10,067,813	10,486,096	8,560,556	8,515,485	9,437,247	10,698,653	10,528,600	10,574,969	9,174,457
Investment income	42,986	49,139	30,611	23,965	22,857	22,967	55,985	134,838	377,353	473,728
Miscellaneous	1,338,814	670,226	469,036	409,764	518,243	1,434,980	1,352,049	1,087,690	1,298,270	1,647,406
Total revenues	43,699,813	40,152,605	40,364,485	37,640,308	39,701,653	39,859,772	41,812,198	42,045,966	41,006,457	42,114,188
EXPENDITURES										
Current										
Park operations	5,680,199	5,485,507	5,533,664	5,291,305	5,510,187	5,953,904	5,891,953	5,487,190	5,299,649	6,228,659
Recreation operations	15,442,300	17,815,948	19,072,606	17,203,654	17,207,271	17,832,857	19,933,786	20,855,511	21,386,393	17,082,765
Museum operations	2,410,190	1,900,635	1,760,042	1,956,986	1,290,273	1,271,094	1,102,808	1,111,238	1,226,098	1,244,945
Police operations	2,057,555	1,977,949	2,021,409	1,887,921	1,845,485	1,919,081	1,524,890	1,472,914	1,552,791	1,534,619
Administration	7,441,206	6,602,962	6,751,085	6,717,204	6,546,841	6,966,476	6,878,525	7,191,578	7,082,577	6,647,166
Capital outlay	8,141,287	9,815,740	5,765,423	1,456,853	9,055,652	14,891,936	16,337,161	9,261,841	5,267,126	5,019,106
Debt service										
Principal	5,930,000	5,550,000	7,055,000	6,930,500	7,121,077	6,453,266	6,272,793	6,417,571	6,774,047	7,630,892
Interest	560,726	755,737	679,635	782,186	878,015	795,069	1,672,539	1,657,532	2,230,868	2,152,216
Payment to refunding escrow agent	-	-	-	-	-	-	296,527	-	-	-
Total expenditures	47,663,463	49,904,478	48,638,864	42,226,609	49,454,801	56,083,683	59,910,982	53,455,375	50,819,549	47,540,368
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,963,650)	(9,751,873)	(8,274,379)	(4,586,301)	(9,753,148)	(16,223,911)	(18,098,784)	(11,409,409)	(9,813,092)	(5,426,180)

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OTHER FINANCING SOURCES (USES)										
Bonds issued	\$ 11,640,000	\$ 7,660,000	\$ 9,540,000	\$ -	\$ 6,723,120	\$ 15,686,276	\$ 21,071,548	\$ 12,834,056	\$ 10,895,000	\$ 13,180,000
Issuance of refunding bonds	-	-	600,000	-	-	-	-	-	-	-
Issuance of capital lease obligation	-	-	-	27,195	94,691	103,623	123,623	-	-	-
Issuance of note payable - City of Rockford	-	-	-	-	3,750,000	-	-	-	-	-
Payment to refunding escrow agent	(567,664)	(526,705)	(569,741)	-	-	(281,890)	(835,062)	-	-	(7,228,908)
Discount on insurance of bonds	-	(18,840)	-	-	-	-	-	-	-	-
Redemption of refunded bonds	(1,800,000)	-	-	-	-	-	-	-	-	-
Premium on bonds issued	186,040	-	338,859	-	102,802	317,679	127,066	216,684	92,315	141,481
Transfers in	3,973,382	5,570,107	5,739,623	4,182,814	3,922,953	4,382,104	5,119,358	4,476,604	4,730,042	5,851,949
Transfers (out)	(3,973,382)	(6,591,964)	(5,145,146)	(4,182,814)	(3,922,953)	(4,382,104)	(5,119,358)	(4,476,604)	(4,730,042)	(5,851,949)
Insurance proceeds	68,240	392,399	144,519	1,097,079	124,782	71,184	114,817	96,065	374,412	100,309
Sale of capital assets	14,566	13,765	36,312	207,850	23,152	1,903	14,875	24,875	30,021	1,022,849
Total other financing sources (uses)	9,541,182	6,498,762	10,684,426	1,332,124	10,818,547	15,898,775	20,616,867	13,171,680	11,391,748	7,215,731
NET CHANGE IN FUND BALANCES	\$ 5,577,532	\$ (3,253,111)	\$ 2,410,047	\$ (3,254,177)	\$ 1,065,399	\$ (325,136)	\$ 2,518,083	\$ 1,762,271	\$ 1,578,656	\$ 1,789,551
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	16.41%	15.73%	18.04%	18.97%	19.80%	17.60%	17.60%	17.60%	19.83%	23.12%

Notes

In 2019, the District outsourced the operations of Magic Waters.

Data Source

Audited financial statements

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Amount Collected within the Fiscal Year of the Levy	Percentage of Levy	Amounts Collected in Subsequent Fiscal Years	Total Collections to Date	Percentage of Levy
2009	\$ 22,125,366	\$ 22,003,430	99.45%	\$ 24,786	\$ 22,028,216	99.56%
2010	22,513,392	22,352,642	99.29%	41,842	22,394,484	99.47%
2011	22,820,609	22,700,672	99.47%	23,741	22,724,413	99.58%
2012	23,415,076	23,289,716	99.46%	(4,673)	23,285,043	99.44%
2013	23,733,571	23,581,192	99.36%	(16,771)	23,564,421	99.29%
2014	23,796,501	23,569,089	99.04%	(26,454)	23,542,635	98.93%
2015	23,853,845	23,660,898	99.19%	(49,318)	23,611,580	98.98%
2016	23,819,699	23,705,148	99.52%	(20,151)	23,684,997	99.43%
2017	24,017,207	23,788,255	99.05%	(19,081)	23,769,174	98.97%
2018	24,142,506	23,992,065	99.38%	-	23,992,065	99.38%

Data Source

Office of the County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Real Property Assessed Value	Railroad Property Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2009	\$ 2,967,855,990	\$ -	\$ 2,967,855,990	0.7455	\$ 8,912,480,450	33.3%
2010	2,862,111,986	-	2,862,111,986	0.7869	8,594,930,889	33.3%
2011	2,706,355,707	-	2,706,355,707	0.8432	8,127,194,315	33.3%
2012	2,458,916,643	-	2,458,916,643	0.9522	7,384,134,063	33.3%
2013	2,243,884,947	-	2,243,884,947	1.0577	6,738,393,234	33.3%
2014	2,109,477,022	-	2,109,477,022	1.1286	6,334,765,832	33.3%
2015	2,051,167,849	-	2,051,167,849	1.1629	6,159,663,210	33.3%
2016	2,070,193,990	-	2,070,193,990	1.1544	6,216,798,769	33.3%
2017	2,112,066,491	-	2,112,066,491	1.1371	6,342,542,015	33.3%
2018	2,202,108,817	-	2,202,108,817	1.0963	6,612,939,390	33.3%

Note: Property in the District is reassessed each year. Property is assessed at 33% of actual value. In addition, the District is subject to two sets of tax limits; rate limits which limit the maximum rates that can be levied for a particular purpose and tax caps, which limit the total dollar increase in the levy to the lesser of 5% or the consumer price index as published by the Illinois Department of Revenue, excluding new construction/annexation.

Data Source

Office of the County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
DISTRICT DIRECT RATES										
Corporate	0.2430	0.2500	0.2500	0.2545	0.2847	0.3102	0.3184	0.3088	0.3007	0.2931
Bonds and interest	0.1652	0.1763	0.1892	0.2145	0.2396	0.2579	0.2675	0.2667	0.2670	0.2614
IMRF	0.0230	0.0250	0.0311	0.0366	0.0406	0.0396	0.0413	0.0452	0.0428	0.0309
Police protection	0.0250	0.0250	0.0250	0.0250	0.0250	0.0247	0.0250	0.0250	0.0250	0.0250
Audit	0.0016	0.0017	0.0020	0.0024	0.0027	0.0027	0.0027	0.0029	0.0026	0.0028
Tort	0.0214	0.0229	0.0259	0.0305	0.0361	0.0367	0.0383	0.0416	0.0413	0.0410
Social Security	0.0277	0.0291	0.0333	0.0387	0.0390	0.0396	0.0433	0.0480	0.0458	0.0426
Museum	0.0684	0.0700	0.0700	0.0700	0.0700	0.0689	0.0700	0.0698	0.0700	0.0698
Recreation	0.1302	0.1469	0.1767	0.2400	0.2800	0.3089	0.3164	0.3065	0.3019	0.2898
Special recreation	0.0400	0.0400	0.0400	0.0400	0.0400	0.0394	0.0400	0.0399	0.0400	0.0399
TOTAL DISTRICT DIRECT RATES	0.7455	0.7869	0.8432	0.9522	1.0577	1.1286	1.1629	1.1544	1.1371	1.0963
OVERLAPPING RATES										
City of Rockford (including Library)	2.5606	2.7159	2.9051	3.2600	3.5535	3.7973	3.8791	3.8397	3.7608	3.6084
Rockford Township and Rockford Township Roads	0.0000	0.2043	0.2168	0.2349	0.2587	0.2813	0.2936	0.2942	0.2924	0.2801
Rockford Public Schools, District No. 205	5.5765	6.0152	6.5595	6.6884	7.2301	7.7810	7.9379	7.8031	7.6496	7.3508
Winnebago County including Forest Preserve	0.8793	0.9197	0.9632	1.0495	1.1494	1.2044	1.2187	1.2033	1.1769	1.1320
Other	0.8761	0.8862	0.9115	0.7166	0.7529	0.7894	0.8041	0.8112	0.8195	0.8024
TOTAL OVERLAPPING RATES	9.8925	10.7413	11.5561	11.9494	12.9446	13.8534	14.1334	13.9515	13.6992	13.1737

Data Source

Office of the County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Equalized Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation
CBL Cherryvale	\$ 13,825,281	1	0.63%	\$ 16,336,527	1	0.57%
Greater Rockford Airport Authority	10,707,987	2	0.49%	12,508,009	3	0.44%
Woodward Inc.	10,081,044	3	0.46%	-	-	-
Lowes Home Centers Inc.	9,747,696	4	0.44%	15,786,032	2	0.55%
Wesley Willows Corp.	8,524,305	5	0.39%	-	-	-
Forest Plaza LLC	7,077,017	6	0.32%	8,550,595	4	0.30%
Walmart	6,719,337	7	0.31%	-	-	-
MB Rockford State LLC	4,133,562	8	0.19%	4,678,630	6	0.16%
Anderson Rockford Properties	4,011,753	9	0.18%	-	-	-
Fairhaven Christians Retirement Center	3,752,813	10	0.17%	4,135,078	8	0.15%
Two Star Property	-	-	-	5,584,850	5	0.20%
WPH Rockford LLC	-	-	-	4,342,156	7	0.15%
Hamilton Sundstrand	-	-	-	3,995,803	9	0.14%
Rock River Valley Industrial Park	-	-	-	<u>3,933,688</u>	10	<u>0.14%</u>
	<u>\$ 78,580,795</u>		<u>3.59%</u>	<u>\$ 79,851,368</u>		<u>2.80%</u>

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

Data Sources

Office of the County Clerk and Boone County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Note Payable - City of Rockford	Total Primary Government	Percentage of Assessed Value	Per Capita*
	General Obligation Bonds	Capital Lease Obligation				
2010	\$ 18,414,501	\$ -	\$ -	\$ 18,414,501	0.21%	\$ 92.32
2011	19,904,773	-	-	19,904,773	0.23%	99.79
2012	20,632,111	-	-	20,632,111	0.25%	103.44
2013	15,528,983	26,695	-	15,555,678	0.21%	77.99
2014	15,175,036	70,309	3,750,000	18,995,345	0.28%	95.23
2015	24,314,245	135,666	3,600,000	28,049,911	0.44%	140.63
2016	38,242,943	209,497	3,450,000	41,902,440	0.68%	210.08
2017	44,868,174	150,751	3,385,000	48,403,925	0.78%	242.67
2018	49,325,193	99,119	3,150,000	52,574,312	0.83%	263.58
2019	48,177,076	53,609	3,000,000	51,230,685	0.77%	256.84

See the Schedule of Demographic and Economic Information on page 99 for population data.

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

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Debt	Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2010	\$ 18,414,501	\$ 614,492	\$ 17,800,009	0.20%	\$ 89.24
2011	19,904,773	602,989	19,301,784	0.22%	96.77
2012	20,632,111	545,943	20,086,168	0.25%	100.70
2013	15,528,983	521,600	15,007,383	0.20%	75.24
2014	15,175,036	487,764	14,687,272	0.22%	73.63
2015	24,314,245	432,406	23,881,839	0.38%	119.73
2016	24,314,245	386,283	23,927,962	0.39%	119.96
2017	44,868,174	358,733	44,509,441	0.72%	223.15
2018	49,325,193	348,416	48,976,777	0.77%	245.54
2019	48,177,076	361,466	47,815,610	0.72%	239.72

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 91 for property value data.

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

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2019

Governmental Unit	Gross Debt	Percentage Debt Applicable to the District (1)	District's Share of Debt (2)
Rockford Park District	\$ 51,230,685	100.00%	\$ 51,230,685
Rockford School District No. 205	162,692,504	88.62%	144,178,097
Harlem School District No. 122	11,995,000	44.90%	5,385,755
Winnebago School District No. 323	10,422,400	15.93%	1,660,288
Meridian School District No. 223	11,658,628	0.10%	11,659
Belvidere School District No. 100	45,349,512	4.22%	1,913,749
Community College No. 511	74,125,000	38.04%	28,197,150
Winnebago County Forest Preserve District	1,869,090	56.48%	1,055,662
 Total overlapping debt	 <u>318,112,134</u>		 <u>182,402,360</u>
 TOTAL DIRECT AND OVERLAPPING DEBT	 <u><u>\$ 369,342,819</u></u>		 <u><u>\$ 233,633,045</u></u>

(1) The District's share of overlapping debt percentages are estimated by determining the portion of the other governments taxable assessed value that is within the District's boundaries based upon 2017 Real Property Valuations.

(2) Totals may not be exact due to rounding.

Data Sources

Winnebago County Clerks' Office

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
Legal debt limit	\$ 85,325,860	\$ 82,285,720	\$ 77,807,727	\$ 70,698,007	\$ 64,511,692	\$ 60,647,464	\$ 58,971,076	\$ 59,518,077	\$ 60,721,912	\$ 63,310,628
Total net debt applicable to limit	17,630,508	19,242,011	12,280,000	5,245,000	5,280,000	5,100,000	5,285,000	5,320,000	5,550,000	5,605,000
LEGAL DEBT MARGIN	\$ 67,695,352	\$ 63,043,709	\$ 65,527,727	\$ 65,453,007	\$ 59,231,692	\$ 55,547,464	\$ 53,686,076	\$ 54,198,077	\$ 55,171,912	\$ 57,705,628
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	20.66%	23.38%	15.78%	7.42%	8.18%	8.41%	8.96%	8.94%	9.14%	8.85%
							Legal debt margin calculation for fiscal 2016			2.875%
							Equalized assessed value			<u>\$ 2,202,108,817</u>
							Debt limit		\$	63,310,628
							Debt applicable to limit general obligation bonds			<u>5,605,000</u>
							LEGAL DEBT MARGIN		\$	<u>57,705,628</u>

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Magic Waters							Ice Arenas					
Fiscal Year	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service			Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage				Principal	Interest	Coverage
2010	\$ 3,235,910	\$ 2,403,162	\$ 832,748	\$ 690,000	\$ 142,680	\$ 1.00	\$ 1,509,388	\$ 1,682,198	\$ (172,810)	\$ -	\$ 35,506	\$ (4.87)
2011	3,068,448	2,328,918	739,530	565,000	108,535	1.10	1,385,543	1,772,996	(387,453)	-	-	N/A
2012	3,334,955	2,633,238	701,717	350,000	240,507	1.19	1,325,973	1,789,188	(463,215)	-	26,459	(17.51)
2013	2,330,854	2,104,227	226,627	250,000	224,513	0.48	1,306,608	1,700,447	(393,839)	-	-	N/A
2014	2,192,077	2,194,519	(2,442)	390,000	215,263	-	1,371,432	1,781,187	(409,755)	265,000	28,574	(1.40)
2015	2,726,625	2,192,511	534,114	420,000	201,562	0.86	1,536,816	1,979,207	(442,391)	275,000	22,948	(1.48)
2016	3,044,685	2,550,150	494,535	300,000	272,963	0.86	1,584,296	1,848,252	(263,956)	295,000	2,974	(0.89)
2017	2,609,034	2,578,107	30,927	325,000	288,144	0.05	N/A	N/A	N/A	N/A	N/A	N/A
2018	2,651,965	2,422,952	229,013	325,000	275,794	0.38	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Indoor Sports Center						
Fiscal Year	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2010	\$ 1,759,125	\$ 1,159,075	\$ 600,050	\$ 215,000	\$ 15,510	\$ 2.60
2011	1,021,470	1,118,227	(96,757)	240,000	38,000	(0.35)
2012	1,031,034	1,131,152	(100,118)	210,000	33,200	(0.41)
2013	729,727	728,590	1,137	230,000	29,000	-
2014	789,761	782,201	7,560	250,000	24,400	0.03
2015	827,405	852,232	(24,827)	265,000	18,775	(0.09)
2016	1,569,053	1,545,954	23,099	285,000	12,150	0.08
2017	1,569,242	1,761,957	(192,715)	120,000	3,600	(1.56)
2018	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information is not applicable.

Note: Details of the District's outstanding debt can be found in the notes to financial statements. Operating revenue includes program grants, but excludes investment earnings and sale of property. Operating expenses do not include debt service, depreciation or reserve requirements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population (a)	Equalized Assessed Valuation (EAV)	Per Capita EAV	Unemployment Rate (b)
2010	199,463	\$ 2,967,855,900	\$ 14,879	15.5%
2011	199,463	2,862,111,986	14,349	12.4%
2012	199,463	2,706,355,707	13,568	11.5%
2013	199,463	2,458,916,643	12,328	11.2%
2014	199,463	2,243,884,947	11,250	9.5%
2015	199,463	2,109,477,022	10,576	6.7%
2016	199,463	2,051,167,849	10,283	6.8%
2017	199,463	2,070,193,990	10,379	6.6%
2018	199,463	2,112,066,491	10,589	5.4%
2019	199,463	2,202,108,817	11,040	5.8%

Note: Personal income data is not available.

Data Sources

- (a) 2010-2019: WINGIS from 2010 Census
- (b) Illinois Department of Employment Security

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2019			2010		
	Rank	Number of Employees (1)	% of Total City Population	Rank	Number of Employees (2)	% of Total City Population
Fiat Chrysler LLC	1	3,879	1.94%	8	1,700	0.85%
Mercy Health/Rockford Health System	2	3,800	1.91%	2	3,003	1.51%
Rockford Public Schools District No. 205	3	3,713 (3)	1.86%	1	3,730 (3)	1.87%
Swedish American Health System	4	2,600	1.30%	3	2,988	1.50%
United Parcel Service	5	2,379	1.19%	9	1,600	0.80%
Collins Aerospace Systems	6	2,000	1.00%	6	2,200	1.10%
OSF St. Anthony's Medical Center	7	2,000	1.00%	5	2,303	1.15%
Walmart	8	1,471	0.74%	4	2,750	1.38%
County of Winnebago	9	1,292	0.65%	7	1,731	0.87%
Woodward, Inc.	10	1,200	0.60%	10	1,200	0.60%

Data Sources

(1) 2020 Illinois Manufacturers and Services Directories, the Rockford Area Council of 100, the Rockford Area Economic Development Council, the City and a selected telephone survey

(2) 2010 Rockford Area Economic Development Council and 2010 Illinois Manufacturers and Services Directories

(3) Includes full and part time employees

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EMPLOYEES										
Regular employees	183	178	177	173	177	177	176	173	168	162
Seasonal employees	1,533	1,433	1,463	1,656	1,656	1,460	1,481	1,441	1,397	1,063
FULL-TIME EQUIVALENT EMPLOYEES										
Regular employees	178	178	177	173	177	178	176	173	168	166
Seasonal employees	262	267	271	259	275	284	295	291	271	231
GENERAL GOVERNMENT										
Park operations	57	58	53	49	57	64	66	60	49	54
Recreation operations	284	291	301	288	301	313	326	328	314	267
Police protection	36	35	34	31	31	24	20	18	19	18
Administration	63	61	60	64	63	61	60	58	57	58
Total full-time equivalent employees	440	445	448	432	452	462	471	464	439	397

Data Source

District Records

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
RECREATION										
Area served in square miles	125	125	125	125	125	125	125	125	125	125
Residents served	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

Data Sources

2010-2019 - Provided by WinGIS from 2010 Census

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PARK OPERATIONS										
Acreage - owned	4,879	4,896	4,896	4,929	4,939	4,953	4,953	4,962	4,940	4,918
Number of parks - owned	174	176	177	177	177	179	179	181	180	182
RECREATION										
Golf courses	5	5	5	6	6	6	6	6	6	5
Ice skating arena - indoor	2	2	2	2	2	2	2	2	2	2
Outdoor swimming pools/beach	4	4	4	4	4	4	4	4	4	4
Indoor playground	1	1	1	1	1	1	1	1	1	1
Community center	1	1	1	1	1	1	1	1	1	1
Tennis courts	92	90	90	90	88	88	88	87	87	87
Pickleball courts	6	16	16	16	16	16	16	36	36	36
Softball/baseball diamonds	125	125	126	126	126	126	126	136	126	126
Soccer fields	91	91	91	91	91	91	91	108	108	108
Greenhouse and gardens	1	1	1	1	1	1	1	1	1	1
Arboretum/prairies	7	7	7	7	7	7	7	10	10	10
Equestrian facility (15+ miles of equestrian trail)	1	1	1	1	1	1	1	1	1	1
Snowmobile trail - 100+ miles	1	1	1	1	1	1	1	1	1	1
Recreation paths - 34.6 miles	34.6	38.7	38.7	38.7	38.7	38.7	38.7	43.8	43.8	43.8
Boat docks/launches	17	17	23	23	23	23	23	26	26	26
Excursion boat	1	1	1	1	1	1	1	1	1	1
Trolley	1	1	1	1	1	1	1	1	1	1
Sportscore Sports Field complexes	2	2	2	2	2	2	2	2	2	2
Outdoor education center	2	2	2	2	2	2	2	2	2	2
Magic Waters - water theme park	1	1	1	1	1	1	1	1	1	-
Minor league baseball stadium	1	1	1	1	1	1	1	1	1	1
Soccer/football stadium	1	1	1	1	1	1	1	1	1	1
Observatory	1	1	1	1	1	1	1	1	1	1
BMX Track	1	1	1	1	1	1	1	1	1	1
Dog parks	2	3	3	3	3	3	3	3	3	3
Volleyball - indoor	4	4	4	4	4	4	4	16	16	16
Volleyball - sand	7	7	7	7	7	7	7	10	10	10
MUSEUMS OPERATIONS										
Facilities	6	6	6	6	6	6	6	6	6	6
POLICE PROTECTION										
Stations	1	1	1	1	1	1	1	1	1	1

Data Source

District Records