

2
0
2
1



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR JANUARY 1–DECEMBER 31, 2021

PREPARED BY: FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER



ROCKFORD PARK DISTRICT

Rockford, Illinois

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
December 31, 2021

Prepared by:
Penny Christians, Chief Financial Officer

ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS
TABLE OF CONTENTS

| | <u>Page(s)</u> |
|---|----------------|
| INTRODUCTORY SECTION | |
| Officials and Officers..... | i |
| Organizational Chart..... | ii |
| Certificate of Achievement for Excellence in Financial Reporting..... | iii |
| Transmittal Letter..... | iv-ix |
| FINANCIAL SECTION | |
| INDEPENDENT AUDITOR’S REPORT | 1-4 |
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS | |
| Management’s Discussion and Analysis..... | MD&A 1-13 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position..... | 5-6 |
| Statement of Activities | 7 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet..... | 8-9 |
| Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position..... | 10 |
| Statement of Revenues, Expenditures and Changes in Fund Balances | 11-12 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities | 13 |

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

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Proprietary Fund

| | |
|--|----|
| Statement of Net Position | 14 |
| Statement of Revenues, Expenses and Changes in Net Position..... | 15 |
| Statement of Cash Flows | 16 |

Fiduciary Fund

| | |
|---|----|
| Statement of Fiduciary Net Position..... | 17 |
| Statement of Changes in Fiduciary Net Position..... | 18 |

| | |
|-------------------------------------|-------|
| Notes to Financial Statements | 19-58 |
|-------------------------------------|-------|

Required Supplementary Information

| | |
|---|-------|
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | |
| General Fund | 59 |
| Recreation Fund..... | 60 |
| Illinois Municipal Retirement Fund | |
| Schedule of Employer Contributions | 61 |
| Schedule of Changes in the Employer's Net Pension Liability (Asset) and Related Ratios | 62-63 |
| Other Postemployment Benefit Plan | |
| Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios | 64 |
| Notes to Required Supplementary Information | 65 |

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

Page(s)

FINANCIAL SECTION (Continued)

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

MAJOR GOVERNMENTAL FUNDS

| | |
|---|----|
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - By Object | |
| General Fund | 66 |
| Recreation Fund..... | 67 |
| Debt Service Fund | 68 |
| Capital Projects Fund | 69 |

NONMAJOR GOVERNMENTAL FUNDS

| | |
|---|-------|
| Combining Balance Sheet | 70-71 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... | 72-73 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - By Object | |
| Museum Fund..... | 74 |
| Police Protection Fund | 75 |
| Employee Benefit Fund..... | 76 |
| Liability Insurance Fund..... | 77 |
| Audit Fund..... | 78 |
| Special Recreation Fund..... | 79 |

SUPPLEMENTAL INFORMATION

| | |
|---|----|
| Consolidated Year End Financial Report..... | 80 |
|---|----|

| | |
|--|--------------|
| INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>..... | 81-82 |
|--|--------------|

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

| | <u>Page(s)</u> |
|---|----------------|
| STATISTICAL SECTION | |
| Financial Trends | |
| Net Position by Component | 83 |
| Change in Net Position | 84-85 |
| Fund Balances of Governmental Funds | 86 |
| Changes in Fund Balances of Governmental Funds | 87-88 |
| Revenue Capacity | |
| Property Tax Levies and Collections | 89 |
| Assessed Value and Estimated Actual Value of Taxable Property | 90 |
| Property Tax Rates - Direct and Overlapping Governments | 91 |
| Principal Property Taxpayers | 92 |
| Debt Capacity | |
| Ratios of Outstanding Debt by Type | 93 |
| Ratios of General Bonded Debt Outstanding | 94 |
| Direct and Overlapping Governmental Activities Debt | 95 |
| Legal Debt Margin Information | 96 |
| Pledged-Revenue Coverage | 97 |
| Demographic and Economic Information | |
| Demographic and Economic Information | 98 |
| Principal Employers | 99 |
| Operating Information | |
| Employees by Function | 100 |
| Operating Indicators | 101 |
| Capital Asset Statistics | 102 |

INTRODUCTORY SECTION

Officials and Officers

2021

Board of Commissioners

Scott Olson - President

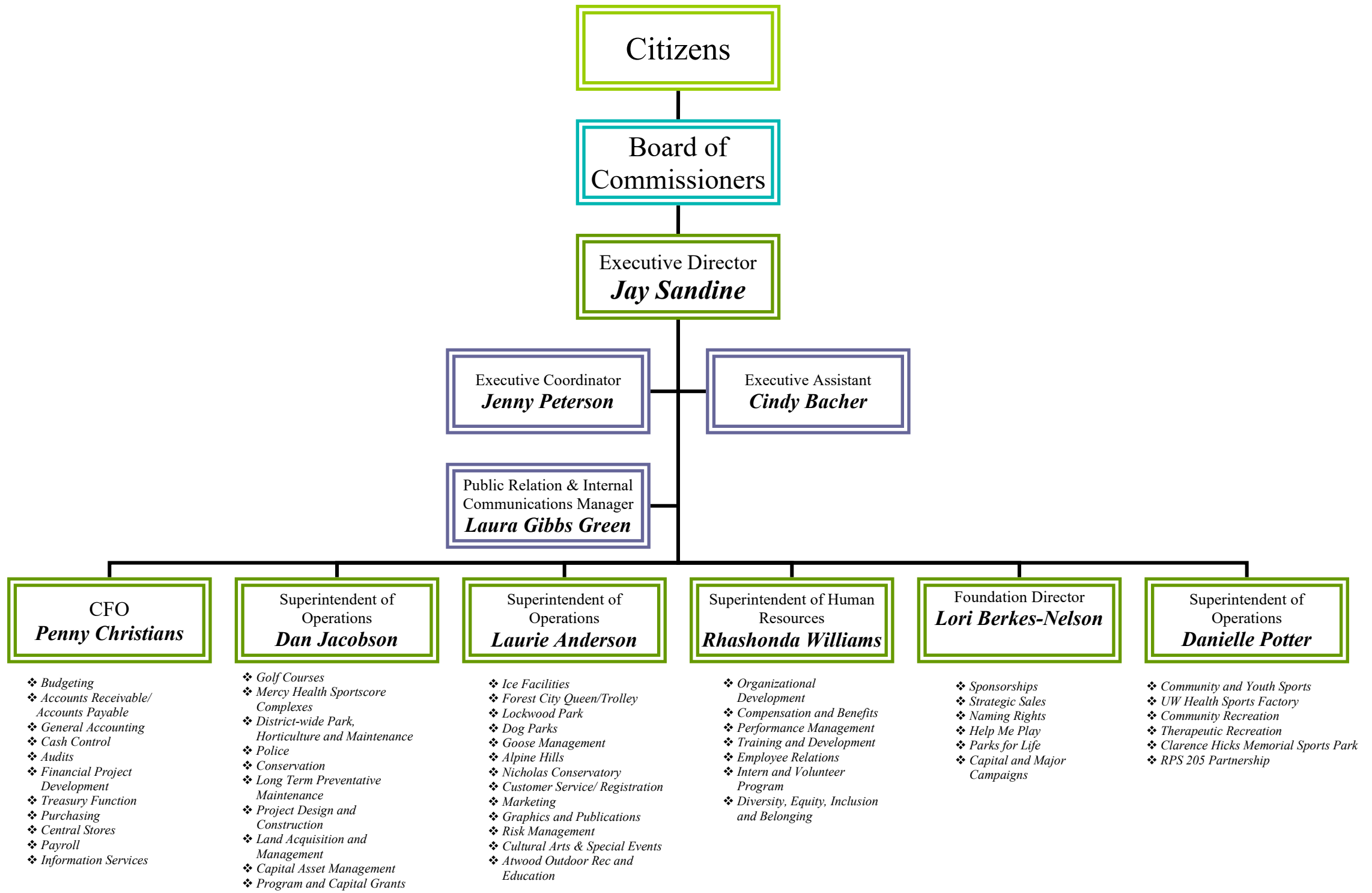
Tyler Smith - Vice President

Jack L. Armstrong - Secretary

Martasha Brown

Jay Sandine - Executive Director

Penny Christians - Chief Financial Officer





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rockford Park District
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



ROCKFORD PARK DISTRICT

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

April 26, 2022

To: The Citizens of the Rockford Park District

The Annual Comprehensive Financial Report of the Rockford Park District (the District) for the year ended December 31, 2021, 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, 2021. 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.



401 S Main St, Rockford, IL 61101-1321 • Phone 815-987-8800 • TTY 888-871-6171 • Fax 815-987-8877 • rockfordparkdistrict.org

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

PRINTED ON RECYCLED PAPER



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.

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 fourth 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 home to the second largest UPS hub in North America, which continues to increase its daily cargo flights. The airport also serves other leaders in the air cargo industry, including ABX Air, ATI, Senator International, DB Schenker, National Airlines, and Atlas Air. With the airport's recent cargo expansions, Rockford is quickly becoming a Midwest hub for e-commerce and international freight. 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 from the previous year. The Illinois Department of Employment Security reports the average unemployment rate in 2021 for the Rockford MSA decreased from 11.1% in 2020 to 8.4% in 2021. The Rockford MSA unemployment rate is still above the average 2021 state unemployment rate of 6.5%. 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 and limits increases in equalized assessed valuation to the Consumer Price Index plus real growth. The Great Recession brought a significant decline in the District's equalized assessed valuation throughout the 2009 to 2015 levy years. The District has subsequently recovered about half of the value lost.

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.

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.

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 District's operational fund balance at 12/31/2021 was 54.06%, which is 1.56% or \$297,000 higher than the policy limit. The excess was primarily a result of the unanticipated significantly higher corporate personal property replacement tax. A portion of this revenue is restricted to the retirement fund and the District isn't able to utilize the excess as funding to assist with aging infrastructure, as is allowed with other unrestricted dollars. The District is working to get back within the policy limits.

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. In 2021, park related projects included the completion of the Keye-Malquist park renovation. The District is also continuing to seek grant opportunities to continue the development of Clarence Hicks Memorial Sports Park and Levings Park.

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. However, in 2020, the District was forced to shut down playgrounds, facilities, and programs in the spring due to COVID-19. This had a negative impact on our community as juvenile crime increased 100%. As a result of COVID-19, at-risk youth ages 16 to 24 also found it extremely challenging to gain employment due to virus-related impacts to businesses. Illinois State Representative Maurice West advocated for the Rockford Park District to receive funding from the Department of Human Services (DHS) to employ 100 area youth throughout the summer months, which the District was awarded again for 2021. The DHS also awarded grant funds for Teen Reach related programming. In addition, grant funds were awarded by the Illinois Criminal Justice Information Authority (ICJIA) for violence prevention programming. Funding received has continued to provide a variety of community-based recreational programs with the goal of reaching up to 5,000 at-risk youth between the ages of 8 and 18.

Many youth do not have the financial resources needed to participate in programs, so the Rockford Park District Foundation established a “Help Me Play” fund, which provides financial assistance for Park District program registrations. The fund also helps the District with playground programming. This is a priority for fundraising efforts for the foundation

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. Phase 2 of this project was completed in 2021, which added 2 miles of additional trails. The District has received an endowment of \$1.9 million to maintain Atwood Park, which includes the Silent Sports Trails.

Riverview Ice House In 2022, the District will begin the renovation of Riverview Ice House. This project includes replacing the 46-year-old facility’s mechanical/refrigeration system, hockey boards and glass around two rinks, and various other building upgrades. Doing so will enable the rink to continue housing hockey and figure skating programming for years to come. Funding sources include issuing \$5.5 million in bonds, along with an Illinois DCEO Capital Grant to fund the remainder.

Reduction of Footprint 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. The reduction of property will result in lower capital needs as well as operational savings. In 2021, the District ceased operations at Elliot Golf Course and is currently pursuing State legislation to allow the sale of some or all of the course’s land. Proceeds from these sales would be directed toward addressing the District’s aging infrastructure challenges.

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, 2020. This was the twenty-fifth 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 annual comprehensive 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 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Rockford Park District received its eleventh consecutive Popular Annual Financial Reporting Award for the fiscal year ended December 31, 2020. The award truly exemplifies the commitment of the Board of Commissioners and management to being 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

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

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2021 and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2021 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.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the component unit, the Rockford Park District Foundation, were not audited in accordance with *Government Auditing Standards*. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Supplementary 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 combining and individual fund financial statements and schedules 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 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.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
April 26, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

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, 2021. 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 \$89,687,821 (net position) at December 31, 2021. Of this amount, \$6,516,780 is unrestricted while \$65,317,438 is net investment in capital assets.
- The District's long-term debt (including current portion) decreased by \$1,713,179 from the District's 2020 ending balances. This decrease is due to:
 - a decrease of \$1,296,735 in general obligation bond and debt certificate debt. This was primarily the result of the issuance of the annual general obligation bond and debt service payments on the District's outstanding bond issues;
 - a decrease in the pledge due to the City of Rockford of \$150,000 for the current installment paid in 2021;
 - an increase of \$822,937 in the liability calculated for Total Other Post-Employment Benefits;
 - an increase of \$46,758 in compensated absences due to the adjustment required for unpaid benefit time accrued;
 - a decrease in premiums/discounts on bonds payable of \$42,610 as a result of the annual amortization of balances;
 - a change from a net pension liability to a net pension asset, primarily due to pension investment performance. Refer to note 9 for additional detail;
 - an increase of \$216,807 for capital leases as a result new leases for maintenance equipment.
 - the District's contingent liability for remained consistent with 2020.
 - a decrease of \$153,160 in the District's early retirement incentive health insurance liability.

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

- The District invested \$5,660,384 in capital assets in 2021. This amount included the redevelopment of Keye-Malquist playground, the completion of the Jefferson Street Bridge underpass, phase 2 of the Atwood Park recreational trails project, and the renovation of the NCG pagoda. Depreciation expense on the District's governmental capital assets totaled \$6,210,768 for the year ended December 31, 2021.

- As of December 31, 2021, the District's governmental funds reported combined ending fund balances of \$25,925,145 an increase of \$4,681,938 from the prior year combined ending fund balances. This increase was the result primarily the result of levying the additional property tax dollars available within the guidelines of the Property Tax Extension Limitation Law, significantly higher than budgeted corporate personal property replacement tax receipts, program funding assistance from operational grants, and lower than anticipated health insurance claims. Approximately \$11,425,356 is unrestricted and available for spending at the District's discretion. Included in this amount is \$7,987,432 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.

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 5-7 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.

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 14-16 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 17-18 of this report.

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

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 19-58.

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, 2021.

2021 Financial Analysis of the District as a Whole

Net Position: The District's total net position for the primary government increased by \$6,542,106 to \$89,687,821 at 12/31/2021. The following provides a summary of the District's net position as of December 31, 2021 and 2020.

| | <u>2021</u> | <u>2020</u> | <u>\$ Change</u> | <u>% Change</u> |
|--|----------------------|----------------------|---------------------|-----------------|
| Assets | | | | |
| Current assets | \$ 73,836,759 | \$ 65,477,929 | \$ 8,358,830 | 12.8% |
| Capital assets | 107,546,103 | 108,098,917 | (552,814) | -0.5% |
| Total assets | <u>181,382,862</u> | <u>173,576,846</u> | <u>7,806,016</u> | <u>4.5%</u> |
| Deferred outflows of resources | <u>2,982,604</u> | <u>2,622,671</u> | <u>359,933</u> | <u>-</u> |
| Liabilities | | | | |
| Current liabilities | 11,303,509 | 11,335,205 | (31,696) | -0.3% |
| Long-term obligations, less current portio | 51,377,725 | 53,090,904 | (1,713,179) | -3.2% |
| Total liabilities | <u>62,681,234</u> | <u>64,426,109</u> | <u>(1,744,875)</u> | <u>-2.7%</u> |
| Deferred inflows of resources | <u>31,996,411</u> | <u>28,627,693</u> | <u>3,368,718</u> | <u>11.8%</u> |
| Net position | | | | |
| Net investment in capital assets | 65,317,438 | 65,694,306 | (376,868) | -0.6% |
| Restricted | 21,452,911 | 17,497,627 | 3,955,284 | 22.6% |
| Unrestricted | 2,917,472 | (46,218) | 2,963,690 | -6412.4% |
| Total net position | <u>\$ 89,687,821</u> | <u>\$ 83,145,715</u> | <u>\$ 6,542,106</u> | <u>7.9%</u> |

Assets and Deferred Outflows

- Cash and Investments increased by \$5,369,214 due to levying the additional property tax dollars available within the guidelines of the Property Tax Extension Limitation Law, significantly higher than budgeted corporate personal property replacement tax receipts, program funding assistance from operational grants, and lower than anticipated health insurance claims.
- Receivables:
 - Property taxes receivable increased by \$478,770 due to levying the additional property tax dollars available within the guidelines of the Property Tax Extension Limitation Law, and the State's passing of Senate Bill 508 which allows for revenue recapture adjustments for prior year levy assessment errors.
 - Accounts Receivables decreased by \$77,185 due to 2020 having a receivable for the COVID-19 Local Cure Grant and higher capital grant and contribution related receivables. This decrease was partially offset by increased Foundation receivables for operational support of the District in 2021.
 - Given the poor interest rate environment, the District did not have accrued interest receivable in 2021.
 - Other Government receivables decreased by \$513,000 mainly due to the receipt of pledge payments for Reclaiming First
 - Component Unit (Rockford Park District Foundation) receivable decreased by \$415,078 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 \$802,170 due to receipts for the agreements for Mercy Health Sportscores, UW Health Sports Factory, and the Illinois Bank & Trust Pavilion at Aldeen Golf Club.
- Prepaid expenses increased by \$255,501 primarily as a result of a vehicle lease prepayment for vehicles that were not received in 2021.
- Inventory increased by \$43,731 primarily as a result of increases in the Skybox restaurant and golf operation inventories.
- Capital assets not being depreciated decreased by \$23,664 due to fluctuations in work in progress, partially offset by the increase from the receipt of 1.5 acres of land.
- Capital assets, net of accumulated depreciation, decreased by \$529,150 in 2021. 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 \$359,933 due to changes in IMRF and OPEB related deferred outflows, as detailed in notes 9 and 10 of the financial statements.

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

Liabilities and Deferred Inflows

- Accounts Payable was \$419,564 higher due to more capital related invoices being outstanding at 2021 year end.
- Accrued payroll decreased by 378,770 due to retirement incentive accruals in 2020.
- Unearned Revenue decreased by \$86,007 due to the recognition of deferred naming rights revenue in 2021, which was partially offset by an increase in deferred 2022 programing revenues.
- Claims payable increased \$69,517 mainly due to an increase in accrued health insurance claims in 2021.
- Noncurrent liabilities decreased \$1,713,179 as explained on page MD&A 1.
- Deferred Inflows were \$3,368,718 higher than 2020 due to changes in the difference between projected and actual IMRF investment earnings, as detailed in Note 9, along with an increase in deferred property tax revenue.

The following provides a summary of the District's changes in net position for the year ended December 31, 2021:

| | <u>2021</u> | <u>2020</u> |
|------------------------------------|-------------------|-------------------|
| Revenues | | |
| Program revenues | | |
| Charges for services | \$ 8,729,441 | \$ 6,202,786 |
| Operating grants and contributions | 2,634,258 | 1,566,720 |
| Capital grants and contributions | 3,484,336 | 1,576,896 |
| General revenues | | |
| Property taxes | 24,977,523 | 23,929,412 |
| Replacement taxes | 4,320,240 | 2,460,954 |
| Investment income | 7,652 | 100,109 |
| Miscellaneous | 454,881 | 901,048 |
| Gain on sale of asset | 23,186 | - |
| Total revenues | <u>44,631,517</u> | <u>36,737,925</u> |
| Expenses | | |
| Park operations | 7,552,495 | 6,868,682 |
| Recreation operations | | |
| Facilities | 15,224,073 | 14,513,952 |
| Programs | 2,502,840 | 3,229,663 |
| Therapeutic operations | 392,433 | 666,334 |
| Museum operations | 1,707,291 | 1,664,447 |
| Police protection | 1,468,869 | 1,703,312 |
| Administration | 7,505,016 | 7,856,185 |
| Interest and fiscal charges | 1,736,394 | 1,896,654 |
| Total expenses | <u>38,089,411</u> | <u>38,399,229</u> |
| Excess/(Deficiency) | 6,542,106 | (1,661,304) |
| Special Item | <u>-</u> | <u>1,000,000</u> |
| Change in net position | 6,542,106 | (661,304) |
| Net Position, January 1 | <u>83,145,715</u> | <u>83,807,019</u> |
| Net Position, December 31 | <u>89,687,821</u> | <u>83,145,715</u> |

Analysis 2021 Statement of Activities and Governmental Activities:

Revenues

The District's total revenues were \$44,631,517 for governmental activities in 2021, an overall increase of \$7,893,592 or 21%, from 2020. The increase in revenue is attributable to several factors as follows:

Charges for Services increased by \$2,526,655 in 2021. With the outbreak of the COVID-19 pandemic in March of 2020, the District was forced to temporarily close many facilities and have minimal in-person programming, greatly decreasing fee related revenue. By the summer of 2021, the District was able to reopen all of our facilities and resume much of our programming, within State operational guidelines. This led to increased revenues for facility rentals, programs and camps, general admissions, and concessions. Of particular note is the continued increase seen in golf rounds played, despite the operation of one less course, the opening of Sand Park Pool for the first time since 2017, and the strong performance of the Aldeen Pavilion. These revenue increases were partially offset by operational challenges with our ice facilities, due to mechanical system failures that led to Riverview Ice House being closed for much of the summer.

Operating Grants and Contributions increased by \$1,067,538. The District continued to receive State and Federal operating grants for youth employment and juvenile crime reduction, including the operation of Harkins Pool. There was also an increase in Aldeen donor support for operational programming and maintenance, as well as an increase in Nicholas Conservatory endowment funded operational expenditures, given the limited ability to run donor funded programming early in the pandemic. The total increase was partially offset by COVID-19 expenditure reimbursements received in 2020 relating to the District's police department, with a much lower amount received in 2021.

Capital Grants and Contributions increased by \$1,907,440 due to 2021 receipts for projects such as the Jefferson Street Bridge underpass, Keye-Malquist Park, Sportscore One Boat Access, Sand Park Pool improvements, and various endowment funded projects at Nicholas Conservatory. This was partially offset by receipts in 2020 for various projects, including the reconstruction of Washington Park Playground, the RIH Boat Launch, and Reclaiming First related expenditure reimbursements.

The District's property tax revenue increased by \$1,048,111 in 2021 due to the levying of additional property tax dollars available within the guidelines of the Property Tax Extension Limitation Law, as well as the funds needed for debt service payments. Replacement taxes increased by \$1,859,286 in 2021. This significant increase was the result an improved economic environment leading to higher corporate earnings, along with the State's release of funds set aside for corporate refunds to the replacement tax fund.

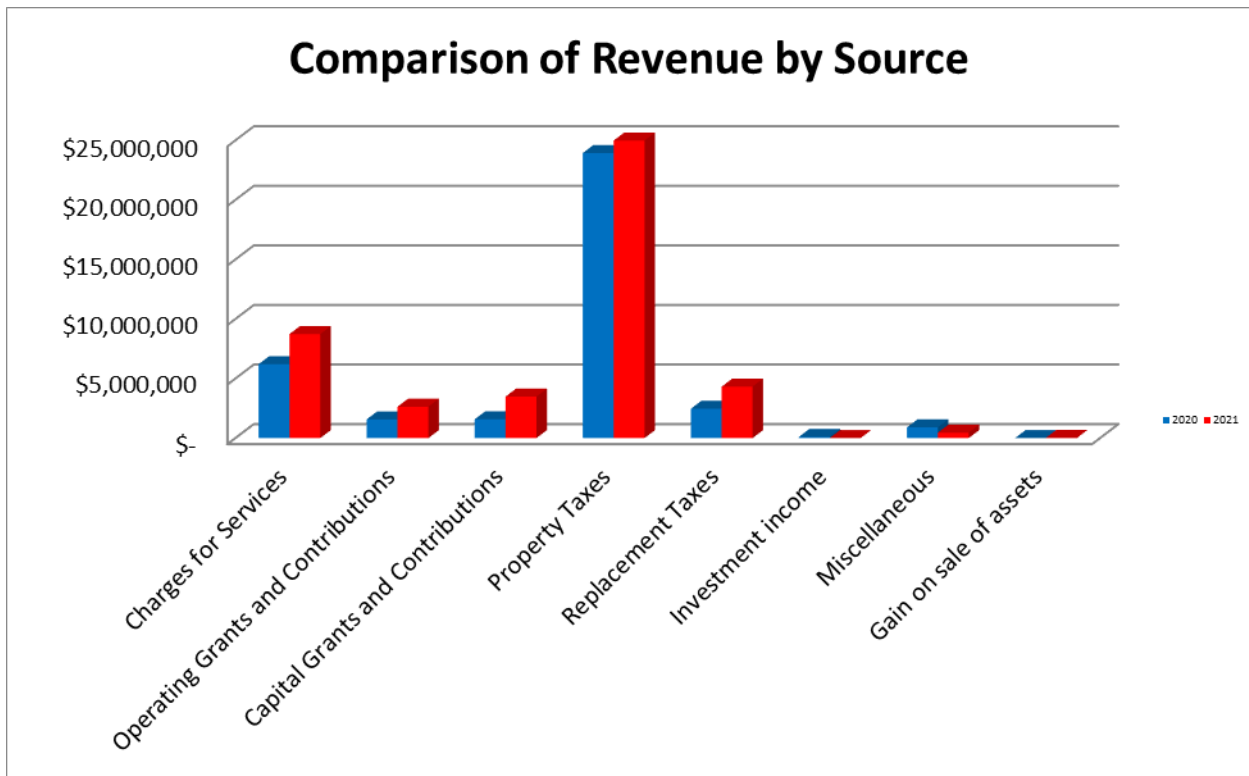
Investment income decreased by \$92,457 due to a sharp decline in investment rates available in the economic environment of the pandemic.

Miscellaneous revenue decreased by \$446,167 due to 2020 having a one-time intergovernmental receipt relating to remediation costs.

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

A comparative of revenue by source for 2021 and 2020 is shown below in a table and graphic illustration:

| <u>Revenue Source</u> | <u>2021</u> | | <u>2020</u> | | <u>Dollar Change</u> | <u>% Change</u> |
|------------------------------------|---------------------|-------------------|---------------------|-------------------|----------------------|-----------------|
| | <u>Amount</u> | <u>% of Total</u> | <u>Amount</u> | <u>% of Total</u> | | |
| Charges for Services | \$ 8,729,441 | 19.6% | \$ 6,202,786 | 16.9% | \$ 2,526,655 | 40.7% |
| Operating Grants and Contributions | 2,634,258 | 5.9% | 1,566,720 | 4.3% | 1,067,538 | 68.1% |
| Capital Grants and Contributions | 3,484,336 | 7.8% | 1,576,896 | 4.3% | 1,907,440 | 121.0% |
| Property Taxes | 24,977,523 | 56.0% | 23,929,412 | 65.1% | 1,048,111 | 4.4% |
| Replacement Taxes | 4,320,240 | 9.7% | 2,460,954 | 6.7% | 1,859,286 | 75.6% |
| Investment income | 7,652 | 0.0% | 100,109 | 0.3% | (92,457) | -92.4% |
| Miscellaneous | 454,881 | 1.0% | 901,048 | 2.5% | (446,167) | -49.5% |
| Gain on sale of asset | 23,186 | 0.1% | - | 0.0% | 23,186 | - |
| Total | \$44,631,517 | 100.0% | \$36,737,925 | 100.0% | 7,893,592 | 21.5% |



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

Expenses

The total cost of all governmental programs and services was \$38,089,411 for the year ended December 31, 2021, which was overall consistent with the prior year.

With the outbreak of the COVID-19 pandemic in 2020, the District's park, program, and facility related expenses saw a sharp decrease. As noted in the revenue section, many District locations were unable to operate, or operated in a limited capacity, for much of the year. Further, with fee revenues being greatly impacted, the District made every effort to control expenditures throughout the year to reduce operational losses. With the District being able to gradually reopen facilities and resume programming throughout 2021, there were corresponding increases in salary, supply, and service related expenditures. Additionally, Sand Park Pool was reopened for the first time since 2017. These increases were more than offset by 2020 expenditures relating to the District's retirement incentive program and pension investment returns exceeding expectations, leading to the District's Net Pension Liability becoming a Net Pension Asset and reducing 2021 expenditures.

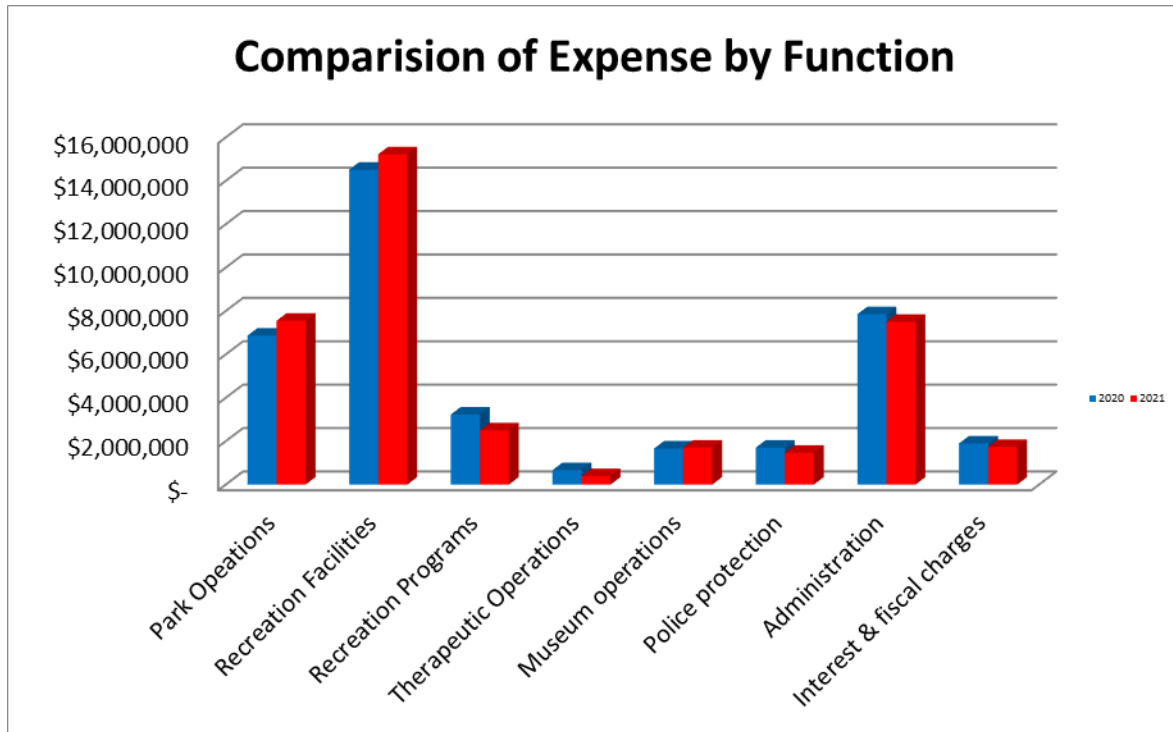
Museum expenses increased by \$42,844 in 2021, with a slight increase relating to higher revenues available from property taxes, as a result of an increased equalized assessed value. There was also an increase in capital repair and maintenance expenditures.

Both Administration and Police expenses decreased in 2021, by \$351,169 and \$234,443, respectively. In both cases, general inflationary increases in salary, supply, and service costs were more than offset by 2020 having expenditures relating to the District's retirement incentive program and pension investment returns exceeding expectations, leading to the District's Net Pension Liability becoming a Net Pension Asset and reducing 2021 expenditures.

Interest and fiscal charges decreased by \$160,260 in 2021 due to a decrease in principal retirement and interest payments on the District's annual general obligation bonds issued for capital improvements.

A comparison of expenses by function for 2021 and 2020 is shown below in a table and graphic illustration:

| <u>Operations</u> | <u>2021</u> | | <u>2020</u> | | <u>Dollar Change</u> | <u>Percent Change</u> |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|----------------------|-----------------------|
| | <u>Amount</u> | <u>% of Total</u> | <u>Amount</u> | <u>% of Total</u> | | |
| Park | 7,552,495 | 20% | 6,868,682 | 18% | 683,813 | 10% |
| Recreation Operations | | | | | | |
| Facilities | 15,224,073 | 40% | 14,513,952 | 38% | 710,121 | 5% |
| Programs | 2,502,840 | 7% | 3,229,663 | 7% | (726,823) | -23% |
| Therapeutic | 392,433 | 1% | 666,334 | 2% | (273,901) | -41% |
| Museum | 1,707,291 | 4% | 1,664,447 | 4% | 42,844 | 3% |
| Police | 1,468,869 | 4% | 1,703,312 | 4% | (234,443) | -14% |
| Administration | 7,505,016 | 20% | 7,856,185 | 21% | (351,169) | -4% |
| Interest and fiscal charges | 1,736,394 | 5% | 1,896,654 | 5% | (160,260) | -8% |
| Total | 38,089,411 | 100% | 38,399,229 | 100% | (309,818) | -1% |



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 support provided by District's taxpayers for each of these functions.

| | Total Cost of Services 2021 | Net Cost of Services 2021 |
|-----------------------|--|--|
| Park operations | \$ 7,552,495 | \$ 5,331,415 |
| Recreation operations | | |
| Facilities | 15,224,073 | 4,528,666 |
| Programs | 2,502,840 | 896,822 |
| Therapeutic operation | 392,433 | 299,797 |
| Museum operations | 1,707,291 | 1,707,291 |
| Police protection | 1,468,869 | 1,363,590 |
| Administration | 7,505,016 | 7,377,401 |
| Interest on debt | 1,736,394 | 1,736,394 |
| | \$ 38,089,411 | \$ 23,241,376 |

The cost of all governmental activities this year was approximately \$38,089,411. Individuals who directly participated or benefited from a program offering, as well as operating and capital grants/contributions paid for approximately \$14,848,035 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 \$29,297,763.

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 \$25,925,145, a \$4,681,938 increase from the prior year. This included \$3,437,924, or 13%, in 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 represents approximately 34% of total general fund expenditures. There was a significant increase in the fund balance of the Capital Projects fund, which was the result of the District's assignment of excess operating funds to address aging infrastructure. The increase in the District's fund balance is the result of levying the additional property tax dollars available within the guidelines of the Property Tax Extension Limitation Law, significantly higher than budgeted corporate personal property replacement tax receipts, program funding assistance from operational grants, and lower than anticipated health insurance claims. The remaining total fund balance consists of \$1,200,287 – nonspendable (not in spendable form), \$16,898,810 – restricted (legally required to be spent for a specific purpose) and \$4,388,124 – assigned (management has assigned a particular purpose).

Capital Assets and Debt Administration

Capital assets: At the end of 2021, the District had invested \$215,005,088 (*not* net of accumulated depreciation) in a broad range of capital assets.

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

- Land addition at 1401 N Main Street
- Atwood Park Trail – Phase 2
- Keye-Malquist Park Renovation
- Jefferson Street Bridge Walkway
- Levings Lake Deck
- Parking Lot and Roadway Reconstruction at various District sites

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

Total depreciation expense for the year was \$6,210,768, while the net change from acquisitions and disposals was \$5,657,954. The following table shows the change in the District's capital assets, net of depreciation:

| | 2021 | 2020 | Change |
|------------------------------------|-----------------------|-----------------------|---------------------|
| Construction in progress | \$ 4,244,627 | \$ 4,315,138 | (70,511) |
| Land | \$ 23,121,778 | \$ 23,074,931 | 46,847 |
| Land improvements | \$ 24,433,890 | \$ 24,735,768 | (301,878) |
| Vehicles | \$ 640,227 | \$ 701,390 | (61,163) |
| Infrastructure | \$ 5,937,564 | \$ 3,527,721 | 2,409,843 |
| Intangible assets | \$ 19,964 | \$ 10,474 | 9,490 |
| Fine Art | \$ 982,216 | \$ 1,049,633 | (67,417) |
| Administrative equipment | \$ 315,633 | \$ 422,018 | (106,385) |
| Recreation equipment and structure | \$ 9,477,891 | \$ 10,353,631 | (875,740) |
| Buildings and improvements | \$ 38,372,313 | \$ 39,908,213 | (1,535,900) |
| | <u>\$ 107,546,103</u> | <u>\$ 108,098,917</u> | <u>\$ (552,814)</u> |

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

Long-term obligations: At December 31, 2021, the District had \$45,189,700 outstanding in general obligation bonds and debt certificates, a decrease of \$1,296,735 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:

| | 2021 | 2020 | Net Change |
|---|----------------------|----------------------|-----------------------|
| General obligation bonds | \$ 42,460,700 | \$ 43,580,435 | \$ (1,119,735) |
| Premium on bonds payable, net of amortization | 134,882 | 177,492 | (42,610) |
| Discount on bonds payable, net of accretion | - | - | - |
| General obligation debt certificates | 2,729,000 | 2,906,000 | (177,000) |
| Capital lease obligation | 238,409 | 21,602 | 216,807 |
| Note payable - City of Rockford | 2,700,000 | 2,850,000 | (150,000) |
| Intergovernmental liability | 18,660 | - | 18,660 |
| Net other post employment benefit | 1,175,133 | 352,196 | 822,937 |
| Net pension liability | - | 1,175,836 | (1,175,836) |
| Compensated absences | 915,126 | 868,368 | 46,758 |
| Contingent liabilities | 500,000 | 500,000 | - |
| Early Retirement Insurance Liability | 505,815 | 658,975 | (153,160) |
| | <u>\$ 51,377,725</u> | <u>\$ 53,090,904</u> | <u>\$ (1,713,179)</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 significant decline in the District's equalized assessed valuation throughout the 2009 to 2015 levy years. Since then, the District has recovered about half of the value lost. Additionally, the surrounding community continues to experience stressed economic indicators.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was unaware of any adverse existing circumstances that could significantly affect its financial health in the future. 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. In 2021, the District ceased operations at Elliot Golf Course and is currently pursuing State legislation to allow the sale of some or all of the course's land. Illinois Park Code restricts the sale of park land exceeding 2.99 acres. Proceeds from these sales would be directed toward addressing the District's aging infrastructure challenges.

Additionally, minimum wage will continue to impact the District as it increases annually, up to \$15 per hour in 2025. With the District's large seasonal workforce, as the first-time employer of many in our community, this will be particularly impactful.

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, 2021

| | Primary Government Governmental Activities | Component Unit Rockford Park District Foundation |
|---|---|---|
| ASSETS | | |
| Cash | \$ 1,017,796 | \$ 3,956,161 |
| Investments | 27,719,212 | 5,951,100 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | |
| Property taxes | 25,215,319 | - |
| Accounts | 1,702,287 | 288,038 |
| Accrued interest | - | - |
| Other governments | 6,129,020 | - |
| Component unit | 399,400 | - |
| Naming rights | 7,133,813 | - |
| Pledges | - | 767,964 |
| Notes receivable | - | 2,370 |
| Prepaid expenses | 285,418 | - |
| Inventory | 203,447 | - |
| Land held for future donation | - | 882,522 |
| Other real estate | - | 40,756 |
| Other assets | 12,000 | - |
| Net pension asset | 4,019,047 | - |
| Capital assets not being depreciated | 27,366,405 | - |
| Capital assets being depreciated, net of accumulated depreciation | 80,179,698 | 251,181 |
| Total assets | 181,382,862 | 12,140,092 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Unamortized charge on refunding | 262,769 | - |
| Pension items - IMRF | 2,151,936 | - |
| OPEB Items | 567,899 | - |
| Total deferred outflows of resources | 2,982,604 | - |
| Total assets and deferred outflows of resources | 184,365,466 | 12,140,092 |

(This statement is continued on the following page.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2021

| | Primary Government Governmental Activities | Component Unit Rockford Park District Foundation |
|--------------------------------------|---|---|
| LIABILITIES | | |
| Accounts payable | \$ 1,946,718 | \$ 664,618 |
| Accrued payroll | 481,523 | - |
| Unearned revenue | 7,740,592 | - |
| Claims payable | 1,055,676 | - |
| Accrued interest payable | 79,000 | - |
| Other liabilities | - | 2,504 |
| Noncurrent liabilities | | |
| Due within one year | 7,617,704 | - |
| Due in more than one year | 43,760,021 | 399,400 |
| | 62,681,234 | 1,066,522 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension items - IMRF | 6,684,164 | - |
| OPEB items | 138,656 | - |
| Deferred revenue - property taxes | 25,173,591 | - |
| | 31,996,411 | - |
| | 94,677,645 | 1,066,522 |
| NET POSITION | | |
| Net investment in capital assets | 65,317,438 | - |
| Restricted for | | |
| Museum operations | 608,412 | - |
| Police protection | 4,088 | - |
| Employee benefits | 1,739,139 | - |
| Audit | 63,564 | - |
| Working cash | 711,832 | - |
| Special recreation | 1,586,826 | - |
| Debt service | 304,613 | - |
| Liability insurance | 1,405,484 | - |
| Capital projects | 5,359,645 | - |
| Reclaiming First | 6,070,000 | - |
| Park district purposes | - | 2,350,326 |
| Restricted for purpose | - | 5,521,176 |
| Perpetual in nature | - | 3,202,068 |
| Unrestricted | 6,516,780 | - |
| | \$ 89,687,821 | \$ 11,073,570 |

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

| FUNCTIONS/PROGRAMS | Program Revenues | | | | Net (Expense) Revenue and Change in Net Position | |
|-----------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|--|-----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | Component Unit |
| | | | | | Governmental Activities | Rockford Park District Foundation |
| PRIMARY GOVERNMENT | | | | | | |
| Governmental Activities | | | | | | |
| Park operations | \$ 7,552,495 | \$ 111,038 | \$ 20,898 | \$ 2,089,144 | \$ (5,331,415) | \$ - |
| Recreation operations | | | | | | |
| Facilities | 15,224,073 | 8,126,376 | 1,173,839 | 1,395,192 | (4,528,666) | - |
| Programs | 2,502,840 | 288,211 | 1,317,807 | - | (896,822) | - |
| Therapeutic operations | 392,433 | 31,535 | 61,101 | - | (299,797) | - |
| Museum operations | 1,707,291 | - | - | - | (1,707,291) | - |
| Police protection | 1,468,869 | 50,678 | 54,601 | - | (1,363,590) | - |
| Administration | 7,505,016 | 121,603 | 6,012 | - | (7,377,401) | - |
| Interest and fiscal charges | 1,736,394 | - | - | - | (1,736,394) | - |
| Total governmental activities | 38,089,411 | 8,729,441 | 2,634,258 | 3,484,336 | (23,241,376) | - |
| TOTAL PRIMARY GOVERNMENT | \$ 38,089,411 | \$ 8,729,441 | \$ 2,634,258 | \$ 3,484,336 | (23,241,376) | - |
| COMPONENT UNIT | | | | | | |
| Rockford Park District Foundation | \$ 2,304,085 | \$ 25,292 | \$ 2,461,954 | \$ 32,600 | - | 215,761 |
| General Revenues | | | | | | |
| Taxes | | | | | | |
| Property | | | | | 24,977,523 | - |
| Intergovernmental - unrestricted | | | | | 4,320,240 | - |
| Investment income | | | | | 7,652 | 688,072 |
| Miscellaneous | | | | | 454,881 | 257,895 |
| Gain on sale of asset | | | | | 23,186 | - |
| Total | | | | | 29,783,482 | 945,967 |
| CHANGE IN NET POSITION | | | | | 6,542,106 | 1,161,728 |
| NET POSITION, JANUARY 1 | | | | | 83,145,715 | 9,911,842 |
| NET POSITION, DECEMBER 31 | | | | | \$ 89,687,821 | \$ 11,073,570 |

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2021

| | <u>General</u> | <u>Recreation</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|-------------------|-------------------|-------------------------|-----------------------------|--|---|
| ASSETS | | | | | | |
| Cash | \$ 131,130 | \$ 50,677 | \$ 10,245 | \$ 532,385 | \$ 243,094 | \$ 967,531 |
| Investments | 3,615,264 | 875,413 | 284,661 | 14,792,723 | 6,754,514 | 26,322,575 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | | | | |
| Property taxes | 7,017,743 | 6,791,502 | 6,057,742 | - | 5,348,332 | 25,215,319 |
| Accounts | 43,533 | 999,736 | - | 651,597 | - | 1,694,866 |
| Other governments | 9,090 | - | - | 6,119,930 | - | 6,129,020 |
| Component unit | - | - | - | 399,400 | - | 399,400 |
| Naming rights | - | 6,558,813 | - | 575,000 | - | 7,133,813 |
| Prepaid expenditures | 64,045 | 4,496 | - | 207,069 | 308 | 275,918 |
| Inventory | 36,194 | 167,253 | - | - | - | 203,447 |
| Other assets | - | 12,000 | - | - | - | 12,000 |
| Total assets | \$ 10,916,999 | \$ 15,459,890 | \$ 6,352,648 | \$ 23,278,104 | \$ 12,346,248 | \$ 68,353,889 |

| | General | Recreation | Debt Service | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------|---------------|-----------------|---------------------|-----------------------------------|--------------------------------|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 185,168 | \$ 677,024 | \$ 345 | \$ 846,965 | \$ 237,216 | \$ 1,946,718 |
| Accrued payroll | 126,979 | 103,955 | - | 10,225 | 240,364 | 481,523 |
| Unearned revenue | 51,125 | 7,681,320 | - | - | - | 7,732,445 |
| Total liabilities | 363,272 | 8,462,299 | 345 | 857,190 | 477,580 | 10,160,686 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue | 7,006,474 | 6,780,429 | 6,047,690 | 7,094,467 | 5,338,998 | 32,268,058 |
| Total deferred inflows of resources | 7,006,474 | 6,780,429 | 6,047,690 | 7,094,467 | 5,338,998 | 32,268,058 |
| Total liabilities and deferred inflows of resources | 7,369,746 | 15,242,728 | 6,048,035 | 7,951,657 | 5,816,578 | 42,428,744 |
| FUND BALANCES | | | | | | |
| Nonspendable - inventory | 36,194 | 167,253 | - | - | - | 203,447 |
| Nonspendable - prepaid items | 64,045 | 4,496 | - | 207,069 | 308 | 275,918 |
| Nonspendable - long-term receivables | 9,090 | - | - | - | - | 9,090 |
| Nonspendable - working cash | - | - | - | - | 711,832 | 711,832 |
| Restricted for museum operations | - | - | - | - | 608,412 | 608,412 |
| Restricted for police protection | - | - | - | - | 4,088 | 4,088 |
| Restricted for employee benefits | - | - | - | - | 1,739,139 | 1,739,139 |
| Restricted for audit | - | - | - | - | 63,564 | 63,564 |
| Restricted for special recreation | - | - | - | - | 1,586,826 | 1,586,826 |
| Restricted for debt service | - | - | 304,613 | - | - | 304,613 |
| Restricted for liability insurance | - | - | - | - | 1,405,484 | 1,405,484 |
| Restricted for capital projects | - | - | - | 7,587,376 | - | 7,587,376 |
| Unrestricted | | | | | | |
| Assigned for recreation | - | 45,413 | - | - | - | 45,413 |
| Assigned for capital projects | - | - | - | 7,532,002 | - | 7,532,002 |
| Assigned for museum operations | - | - | - | - | 25,218 | 25,218 |
| Assigned for police protection | - | - | - | - | 295,633 | 295,633 |
| Assigned for special recreation | - | - | - | - | 86,247 | 86,247 |
| Assigned for audit | - | - | - | - | 2,919 | 2,919 |
| Unassigned | 3,437,924 | - | - | - | - | 3,437,924 |
| Total fund balances | 3,547,253 | 217,162 | 304,613 | 15,326,447 | 6,529,670 | 25,925,145 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| | \$ 10,916,999 | \$ 15,459,890 | \$ 6,352,648 | \$ 23,278,104 | \$ 12,346,248 | \$ 68,353,889 |

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, 2021

| | |
|---|------------------------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 25,925,145 |
| 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 | 107,546,103 |
| 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 | 2,151,936 |
| 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 | (6,684,164) |
| 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 | 429,243 |
| Net pension assets are not financial resources and are not reported in governmental funds | |
| Net pension asset - IMRF | 4,019,047 |
| 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 | (45,189,700) |
| Notes payable | (2,700,000) |
| Intergovernmental liability | (18,660) |
| Contingent liabilities | (500,000) |
| Unamortized premium on issuance | (134,882) |
| Loss on refunding | 262,769 |
| Capital lease obligations | (238,409) |
| Accrued compensated absences | (915,126) |
| Total OPEB liability | (1,175,133) |
| Early retirement health insurance liability | (505,815) |
| Accrued interest payable on long-term liabilities are reported as a liability on the statement of net position | (79,000) |
| Certain unavailable revenues related to long-term receivables on the fund financial statements are considered earned and on the statement of activities | <u>7,094,467</u> |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 89,687,821</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, 2021

| | General | Recreation | Debt Service | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------|--------------|-----------------|---------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property taxes | \$ 6,744,400 | \$ 6,627,851 | \$ 6,016,663 | \$ - | \$ 5,588,609 | \$ 24,977,523 |
| Intergovernmental | 1,230,339 | 2,799,060 | - | 1,619,584 | 1,783,632 | 7,432,615 |
| Local donations | - | - | - | 926,062 | - | 926,062 |
| Fees and admissions | 211,616 | 8,300,637 | - | 113,800 | 47,833 | 8,673,886 |
| Investment income | 1,199 | 167 | 705 | 3,539 | 2,042 | 7,652 |
| Miscellaneous income | 179,902 | 1,184,418 | - | 9,737 | 87,403 | 1,461,460 |
| Total revenues | 8,367,456 | 18,912,133 | 6,017,368 | 2,672,722 | 7,509,519 | 43,479,198 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Park operations | 4,419,554 | - | - | 1,304,912 | 483,218 | 6,207,684 |
| Recreation operations | | | | | | |
| Facilities | - | 10,493,078 | - | 623,731 | 1,093,186 | 12,209,995 |
| Programs | - | 2,904,047 | - | - | 383,123 | 3,287,170 |
| Therapeutic operations | - | - | - | 5,682 | 702,691 | 708,373 |
| Museum operations | - | - | - | 103,850 | 1,193,827 | 1,297,677 |
| Police protection | - | - | - | - | 1,573,694 | 1,573,694 |
| Administration | 5,564,552 | - | - | 1,118,360 | 741,573 | 7,424,485 |
| Capital outlay | - | - | - | 3,369,775 | - | 3,369,775 |
| Debt service | | | | | | |
| Principal retirement | 4,385 | - | 5,805,000 | 1,827,650 | - | 7,637,035 |
| Interest and fiscal charges | - | - | 195,474 | 1,624,073 | - | 1,819,547 |
| Total expenditures | 9,988,491 | 13,397,125 | 6,000,474 | 9,978,033 | 6,171,312 | 45,535,435 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,621,035) | 5,515,008 | 16,894 | (7,305,311) | 1,338,207 | (2,056,237) |

| | General | Recreation | Debt Service | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------|-------------------|-------------------------|-----------------------------|--|---|
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | \$ 4,047,459 | \$ 74,034 | \$ - | \$ 4,657,453 | \$ 13,000 | \$ 8,791,946 |
| Transfers (out) | (2,380,000) | (5,533,508) | - | - | (878,438) | (8,791,946) |
| Issuance of bonds | - | - | - | 6,046,000 | - | 6,046,000 |
| Issuance of capital lease | - | - | - | 356,724 | - | 356,724 |
| Issuance of intergovernmental obligation | 23,045 | - | - | - | - | 23,045 |
| Insurance proceeds | - | - | - | 289,220 | - | 289,220 |
| Proceeds from the sale of capital assets | - | - | - | 23,186 | - | 23,186 |
| Total other financing sources (uses) | 1,690,504 | (5,459,474) | - | 11,372,583 | (865,438) | 6,738,175 |
| NET CHANGE IN FUND BALANCES | 69,469 | 55,534 | 16,894 | 4,067,272 | 472,769 | 4,681,938 |
| FUND BALANCES, JANUARY 1 | 3,477,784 | 161,628 | 287,719 | 11,259,175 | 6,056,901 | 21,243,207 |
| FUND BALANCES, DECEMBER 31 | \$ 3,547,253 | \$ 217,162 | \$ 304,613 | \$ 15,326,447 | \$ 6,529,670 | \$ 25,925,145 |

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, 2021

| | |
|--|----------------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 4,681,938 |
| 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 | 3,571,240 |
| 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 | (6,210,768) |
| Contributions of capital assets are not a current financial resource of governmental funds | 2,089,144 |
| Sales and disposals of capital assets are reported as proceeds from the sale of capital assets in governmental funds but as a (gain) or loss from sale or disposal on the statement of activities | (2,430) |
| Certain revenues are reported as unavailable in the fund financial statements but are accrued and reported as revenue on the statement of activities | (960,011) |
| The change in the IMRF net pension (asset) liability is not a source of use of a financial resource | 5,194,883 |
| The change in deferred outflows of resources for IMRF is reported only in the statement of activities | (153,020) |
| The change in deferred inflows of resources for IMRF is reported only in the statement of activities | (2,803,669) |
| 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 | 7,342,735 |
| Note payable | 150,000 |
| Intergovernmental liability | 4,385 |
| Capital lease | 139,917 |
| The amortizations of premiums, discounts, and loss on refundings is reported as interest expense on the statement of activities | |
| Amortization of premium on bonds | 42,610 |
| Loss on refunding | (15,457) |
| 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 | (6,046,000) |
| Intergovernmental liability | (23,045) |
| Capital lease | (356,724) |
| The change in early retirement health insurance liability is reported as an expense on the statement of activities | 153,160 |
| The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities | 56,000 |
| The change in compensated absences liability is reported as an expense on the statement of activities | (46,758) |
| The change in deferred outflows and inflows of resources for OPEB is reported only in the statement of activities | 556,913 |
| The change in the total OPEB liability is reported as an expense on the statement of activities | <u>(822,937)</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 6,542,106</u> |

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**STATEMENT OF NET POSITION
PROPRIETARY FUND**

December 31, 2021

| | Governmental Activities |
|----------------------------|------------------------------------|
| | Internal Service Fund |
| CURRENT ASSETS | |
| Cash and cash equivalents | \$ 50,265 |
| Investments | 1,396,637 |
| Accounts receivable | 7,421 |
| Prepaid expenses | 9,500 |
| | <hr/> |
| Total current assets | 1,463,823 |
| | <hr/> |
| CURRENT LIABILITIES | |
| Unearned revenue | 8,147 |
| Health premiums payable | 153,160 |
| Claims payable | 902,516 |
| | <hr/> |
| Total current liabilities | 1,063,823 |
| | <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, 2021

| | Governmental Activities |
|------------------------------------|------------------------------------|
| | Internal Service Fund |
| OPERATING REVENUES | |
| Premiums | |
| Employee contributions | \$ 468,907 |
| Employer contributions | 2,527,037 |
| Retiree contributions | 155,389 |
| | <hr/> |
| Total operating revenues | 3,151,333 |
| | <hr/> |
| OPERATING EXPENSES | |
| Health and life insurance premiums | 867,358 |
| Claims incurred | 2,070,115 |
| Administrative services | 220,794 |
| | <hr/> |
| Total operating expenses | 3,158,267 |
| | <hr/> |
| OPERATING INCOME (LOSS) | (6,934) |
| | <hr/> |
| NON-OPERATING REVENUE | |
| Investment income | 456 |
| Miscellaneous income | 6,478 |
| | <hr/> |
| Total non-operating revenue | 6,934 |
| | <hr/> |
| CHANGE IN NET POSITION | - |
| | <hr/> |
| NET POSITION, JANUARY 1 | 400,000 |
| | <hr/> |
| NET POSITION, DECEMBER 31 | \$ 400,000 |
| | <hr/> <hr/> |

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended December 31, 2021

| | <u>Governmental Activities Internal Service Fund</u> |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from employees | \$ 467,123 |
| Receipts from employer | 2,527,037 |
| Receipts from retirees | 155,389 |
| Payments to vendors | <u>(3,085,450)</u> |
| Net cash from operating activities | <u>64,099</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Receipt of miscellaneous income | <u>6,478</u> |
| Net cash from noncapital financing activities | <u>6,478</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| None | <u>-</u> |
| Net cash from capital and related financing activities | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received | 456 |
| Purchase of investments | (1,396,637) |
| Proceeds from sale of investments | <u>1,304,690</u> |
| Net cash from investing activities | <u>(91,491)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (20,914) |
| CASH AND CASH EQUIVALENTS, JANUARY 1 | <u>71,179</u> |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | <u><u>\$ 50,265</u></u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | |
| Operating income (loss) | \$ (6,934) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities | |
| Changes in assets and liabilities | |
| Accounts receivable | (1,784) |
| Prepaid expenses | 2,656 |
| Health premiums payable | (14,718) |
| Claims payable | 84,236 |
| Unearned revenue | <u>643</u> |
| NET CASH FROM OPERATING ACTIVITIES | <u><u>\$ 64,099</u></u> |

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

December 31, 2021

| | <u>Custodial</u> |
|---|----------------------------|
| ASSETS | |
| Cash | \$ 55,000 |
| Investments | 1,323,723 |
| Other receivables | <u>161,840</u> |
| TOTAL ASSETS | <u><u>\$ 1,540,563</u></u> |
| LIABILITIES | |
| Accounts payable | <u>\$ 30,000</u> |
| Total liabilities | <u>30,000</u> |
| NET POSITION | |
| Restricted for tourism | <u>1,510,563</u> |
| Total net position | <u>1,510,563</u> |
| TOTAL LIABILITIES AND NET POSITION | <u><u>\$ 1,540,563</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, 2021

| | Custodial |
|--|----------------------------|
| ADDITIONS | |
| Intergovernmental revenue from Winnebago County | \$ 767,495 |
| Intergovernmental receivable from Winnebago County | <u>161,840</u> |
| Subtotal - intergovernmental additions | 929,335 |
| Interest | <u>240</u> |
| TOTAL ADDITIONS | <u>929,575</u> |
| DEDUCTIONS | |
| Capital acquisitions | 120,000 |
| Reclaiming first contribution | <u>493,103</u> |
| TOTAL DEDUCTIONS | <u>613,103</u> |
| CHANGE IN FIDUCIARY NET POSITION | 316,472 |
| NET POSITION, JANUARY 1, 2021 | <u>1,194,091</u> |
| NET POSITION, DECEMBER 31, 2021 | <u><u>\$ 1,510,563</u></u> |

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 and additions are recorded when earned and expenses and deductions 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 fund 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 or deferred inflow of resources 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, 2021, 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 2021 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 position 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 position 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. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the District has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

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.

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,

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

2. CASH AND INVESTMENTS (Continued)

a. Permitted Deposits and Investments (Continued)

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 fair 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 or collateral in the name of the District at December 31, 2021. 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 \$39,020 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 \$6,558,813. 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 in the amount of \$399,400 related to future pledges for the Rockford Bank & Trust Pavilion. Additionally, the District reports naming rights for the pavilion in the amount of \$575,000 and a long-term receivable related to incentive fees paid by a vendor in the amount of \$20,000.

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

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.

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, 2021, was \$1,870,000.

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, 2021 was \$4,200,000.

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

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

| | Beginning Balances | Increases | Transfers | Decreases | Ending Balances |
|---|-----------------------|---------------------|-------------|---------------------|-----------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Capital assets not being depreciated | | | | | |
| Land | \$ 23,074,931 | \$ 46,847 | \$ - | \$ - | \$ 23,121,778 |
| Construction in progress | 4,315,138 | 1,580,501 | - | 1,651,012 | 4,244,627 |
| Total capital assets not being depreciated | 27,390,069 | 1,627,348 | - | 1,651,012 | 27,366,405 |
| Capital assets being depreciated | | | | | |
| Intangible assets | 415,102 | - | 22,800 | - | 437,902 |
| Fine art | 1,373,330 | - | - | - | 1,373,330 |
| Land improvements | 48,646,068 | 1,579,175 | - | - | 50,225,243 |
| Vehicles | 2,547,215 | 131,325 | - | 29,711 | 2,648,829 |
| Infrastructure | 15,142,456 | 2,755,831 | - | 812,831 | 17,085,456 |
| Administrative equipment | 3,721,403 | 43,877 | (22,800) | - | 3,742,480 |
| Recreation equipment and structure | 40,120,184 | 543,791 | - | 169,115 | 40,494,860 |
| Buildings and improvements | 71,000,534 | 630,049 | - | - | 71,630,583 |
| Total capital assets being depreciated | 182,966,292 | 5,684,048 | - | 1,011,657 | 187,638,683 |
| Less accumulated depreciation for | | | | | |
| Intangible assets | 404,628 | 13,310 | - | - | 417,938 |
| Fine art | 323,698 | 67,417 | - | - | 391,114 |
| Land improvements | 23,910,299 | 1,881,053 | - | - | 25,791,353 |
| Vehicles | 1,845,825 | 192,488 | - | 29,711 | 2,008,602 |
| Infrastructure | 11,614,735 | 343,558 | - | 810,401 | 11,147,892 |
| Administrative equipment | 3,299,385 | 127,462 | - | - | 3,426,847 |
| Recreation equipment and structure | 29,766,553 | 1,419,531 | - | 169,115 | 31,016,969 |
| Buildings and improvements | 31,092,321 | 2,165,949 | - | - | 33,258,270 |
| Total accumulated depreciation | 102,257,444 | 6,210,768 | - | 1,009,227 | 107,458,985 |
| Total capital assets being depreciated, net | 80,708,848 | (526,720) | - | 2,430 | 80,179,698 |
| GOVERNMENTAL ACTIVITIES | | | | | |
| CAPITAL ASSETS, NET | \$ 108,098,917 | \$ 1,100,628 | \$ - | \$ 1,653,442 | \$ 107,546,103 |

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

5. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

| | |
|------------------------|----------------|
| Park operations | \$ 1,335,796 |
| Recreation operations | |
| Facilities | 4,063,033 |
| Programs | 75,179 |
| Therapeutic operations | 20,271 |
| Museum operations | 454,625 |
| Police protection | 60,802 |
| Administration | <u>201,062</u> |

| | |
|--|----------------------------|
| TOTAL DEPRECIATION/AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES | <u>\$ 6,210,768</u> |
|--|----------------------------|

6. INDIVIDUAL FUND DISCLOSURES

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

| Fund | Transfers In | Transfers Out |
|-----------------------|----------------------------|----------------------------|
| General | \$ 4,047,459 | \$ 2,380,000 |
| Recreation | 74,034 | 5,533,508 |
| Capital projects | 4,657,453 | - |
| Nonmajor governmental | <u>13,000</u> | <u>878,438</u> |
| TOTAL | <u>\$ 8,791,946</u> | <u>\$ 8,791,946</u> |

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

- \$3,930,342 transferred from the Recreation Fund to the General Fund for normal administrative, operational and maintenance costs. This amount will not be repaid.
- \$2,380,000 transferred from the General Fund to the Capital Projects Fund for capital projects. This transfer will not be repaid.
- \$486,730 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.
- \$1,200,000 transferred from the Recreation Fund to the Capital Projects 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, 2021, consist of the following:

General Obligation Bonds

| | Purpose | Balance December 31 | Current Portion |
|---|---|------------------------|--------------------|
| 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 | \$ 9,322,641 | \$ 62,840 |
| 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 | 9,201,372 | 87,925 |
| 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 | 7,005,687 | 50,535 |
| 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 | 4,135,000 | 315,000 |

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

General Obligation Bonds (Continued)

| | Purpose | Balance December 31 | Current Portion |
|---|---|------------------------|---------------------|
| 2019A Series Bonds, due in varying annual amounts through December 15, 2038, semiannual interest at 4.00% to 4.25%. | Refund Magic Waters bonds | \$ 6,750,000 | \$ 285,000 |
| 2021A Series Bonds, due in one installment on December 15, 2022, semiannual interest at 0.430%. | General Park Improvements Within the District | 5,306,000 | 5,306,000 |
| 2021B Series Bonds, due in one installment on December 15, 2022, semiannual interest at 0.520%. | General Park Improvements Within the District | 740,000 | 740,000 |
| TOTAL GENERAL OBLIGATION BONDS PAYABLE | | <u>\$ 42,460,700</u> | <u>\$ 6,847,300</u> |

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 | \$ 1,008,000 | \$ 91,000 |
| Debt Certificates, Series 2017C, due in varying annual amounts through December 30, 2027, semiannual interest at 3.375%. | Aldeen Golf Club Pavilion | 1,721,000 | 92,000 |
| TOTAL GENERAL DEBT CERTIFICATES PAYABLE | | <u>\$ 2,729,000</u> | <u>\$ 183,000</u> |

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

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 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 was 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 2021A Series General Obligation Bonds and 2021B 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 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, 2021, is as follows:

| Debt Issue | Pledged Revenue Source | Pledge Remaining | Commitment End Date |
|------------|---|------------------|---------------------|
| 2014A | Personal property replacement and hotel tax | \$13,999,835 | 10/15/2034 |
| 2015 | Personal property replacement and hotel tax | 13,534,655 | 12/15/2034 |
| 2016 | Personal property replacement and hotel tax | 10,502,276 | 12/15/2034 |
| 2018A | Annual G.O. Limited Tax Park Bonds | 5,270,644 | 12/15/2037 |
| 2019A | Annual G.O. Limited Tax Park Bonds | 9,483,631 | 12/15/2038 |

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2021 is as follows:

| Debt Issue | Pledged Revenue Source | Pledged Revenue | Principal and Interest Paid | Estimated % of Revenue Pledged |
|------------|--|-----------------|-----------------------------|--------------------------------|
| 2009B | Museum tax | \$ 1,757,509 | \$ 265,000 | 15% |
| 2011A | Rockford Park District Foundation | 272,341 | 272,341 | 100% |
| 2014A | Personal property replacement and hotel tax* | 5,183,113 | 471,571 | 9% |
| 2015 | Personal property replacement and hotel tax* | 5,183,113 | 471,297 | 9% |
| 2016 | Personal property replacement and hotel tax* | 5,183,113 | 353,725 | 7% |
| 2018A | Annual GO Limited Tax Park Bonds | 6,046,000 | 450,431 | 7% |
| 2019A | Annual GO Limited Tax Park Bonds | 6,046,000 | 553,994 | 9% |

*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, 2021, is as follows:

| | Beginning Balances | Additions | Reductions | Ending Balances | Current Portion | Long-Term Portion |
|---|-----------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| General obligation bonds | \$ 43,580,435 | \$ 6,046,000 | \$ 7,165,735 | \$ 42,460,700 | \$ 6,847,300 | \$ 35,613,400 |
| General obligation debt certificates direct placement | 2,906,000 | - | 177,000 | 2,729,000 | 183,000 | 2,546,000 |
| Capital lease obligation | 21,602 | 356,724 | 139,917 | 238,409 | 32,008 | 206,401 |
| Note payable - City of Rockford | 2,850,000 | - | 150,000 | 2,700,000 | 150,000 | 2,550,000 |
| Intergovernmental liability | - | 23,045 | 4,385 | 18,660 | 4,665 | 13,995 |
| Compensated absences | 868,368 | 894,944 | 848,186 | 915,126 | 223,585 | 691,541 |
| Net pension liability* | 1,175,836 | - | 1,175,836 | - | - | - |
| Total other postemployment benefit liability | 352,196 | 822,937 | - | 1,175,133 | 23,806 | 1,151,327 |
| Contingent liabilities | 500,000 | - | - | 500,000 | - | 500,000 |
| Premium on bonds payable | 177,492 | - | 42,610 | 134,882 | - | 134,882 |
| Early retirement health insurance liability | 658,975 | - | 153,160 | 505,815 | 153,340 | 352,475 |
| TOTAL LONG-TERM OBLIGATIONS | \$ 53,090,904 | \$ 8,143,650 | \$ 9,856,829 | \$ 51,377,725 | \$ 7,617,704 | \$ 43,760,021 |

Compensated absences and the early retirement health insurance liability will be liquidated by several of the governmental funds. The total other postemployment benefit liability will be paid by the General Fund. The net pension liability will be liquidated by the employee benefit fund. Contingent liabilities will be liquidated by the Capital Projects Fund and are discussed in Note 13.

*The net pension liability is a net pension asset as of December 31, 2021.

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

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

| Fiscal Year Ending December 31, | Governmental Activities | | | | | Total |
|---------------------------------------|-------------------------|-------------------|--------------------------|----------------------|----------------------|-------|
| | General Obligation Debt | | General Obligation Bonds | | | |
| | Certificates | Direct Placement | Principal | Interest | | |
| 2022 | \$ 183,000 | \$ 92,104 | \$ 6,847,300 | \$ 1,472,439 | \$ 8,594,843 | |
| 2023 | 214,000 | 85,928 | 824,428 | 1,402,947 | 2,527,303 | |
| 2024 | 221,000 | 78,705 | 850,067 | 1,375,908 | 2,525,680 | |
| 2025 | 229,000 | 71,246 | 881,568 | 1,342,257 | 2,524,071 | |
| 2026 | 237,000 | 63,518 | 915,717 | 1,310,258 | 2,526,493 | |
| 2027 | 1,645,000 | 55,519 | 955,235 | 1,276,990 | 3,932,744 | |
| 2028 | - | - | 797,424 | 1,245,051 | 2,042,475 | |
| 2029 | - | - | 830,331 | 1,212,194 | 2,042,525 | |
| 2030 | - | - | 861,046 | 1,180,779 | 2,041,825 | |
| 2031 | - | - | 892,194 | 1,147,694 | 2,039,888 | |
| 2032 | - | - | 921,198 | 1,115,989 | 2,037,187 | |
| 2033 | - | - | 960,754 | 1,077,715 | 2,038,469 | |
| 2034 | - | - | 23,183,438 | 983,123 | 24,166,561 | |
| 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 | \$ 2,729,000 | \$ 447,020 | \$ 42,460,700 | \$ 16,416,857 | \$ 62,053,577 | |

The District aggregate indebtedness is subject to a statutory limitation of 2.875% of its equalized assessed value. As of December 31, 2021, the statutory limit for the District was \$71,313,602. The District's outstanding debt, net of assets available for bond retirements, was \$6,046,000, leaving a legal debt margin of \$65,267,602.

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, 2021, this limit on the nonreferendum general obligation bonds was \$14,255,520. The District's outstanding general obligation bonds, net of the \$24,322,700 of general obligation bonds payable from alternative sources and \$304,613 available in the Debt Service Fund, total \$8,514,133, leaving a margin for additional bond issues of \$5,741,387.

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

7. LONG-TERM DEBT (Continued)

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, 2021.

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 \$103,263 and a book value of \$0 at December 31, 2021.

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 \$103,623 and a book value of \$0 at December 31, 2021.

During the year ended December 31, 2021, the District entered into a capital lease for mowers and ground equipment. The interest rate for the lease is 0.50%. The assets acquired through capital lease has a cost of \$356,724; accumulated depreciation of \$17,836 and a book value of \$338,888 at December 31, 2021.

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</u> <u>December 31,</u> | <u>Amount</u> |
|---|--------------------------|
| 2022 | \$ 120,099 |
| 2023 | <u>120,098</u> |
| TOTAL MINIMUM LEASE PAYMENTS | 240,197 |
| Amount representing interest | <u>(1,788)</u> |
| Present value of minimum lease payments | <u>\$ 238,409</u> |

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

7. LONG-TERM DEBT (Continued)

c. Intergovernmental liabilities

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 \$2,700,000 as of December 31, 2021.

Intergovernmental liability - Rockford Public School District 205

The District has committed to pay the Rockford Public School District 205 \$4,655 per year for five years, beginning 2021 through 2025. The balance of the commitment was \$18,660 as of December 31, 2021.

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 \$257,895. The total cost for general and administrative expenses for the Foundation was \$317,895. The Foundation reimbursed the District \$60,000 for general and administration costs.

| | |
|---|--------------------------|
| Total general and administrative cost of the Foundation | \$ 317,895 |
| Less reimbursement | <u>(60,000)</u> |
| TOTAL IN-KIND GIFT FROM THE DISTRICT | <u>\$ 257,895</u> |

During the year ended December 31, 2021, the Foundation incurred the following expenses relating to transactions with the District:

| | |
|-----------------------------------|----------------------------|
| General and administration | \$ 60,000 |
| Programs and capital improvements | <u>1,815,072</u> |
| TOTAL | <u>\$ 1,875,072</u> |

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

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.

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, 2020, the latest actuarial valuation date, IMRF membership consisted of:

| | |
|--|-----------------------|
| Inactive employees or their beneficiaries | |
| currently receiving benefits | 192 |
| Inactive employees entitled to but not yet | |
| receiving benefits | 259 |
| Active employees | <u>242</u> |
| TOTAL | <u><u>693</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.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating 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 rate for 2021 was 8.89% of covered employee payroll.

Actuarial Assumptions

The District's net pension liability (asset) was measured as of December 31, 2020, 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, 2020 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.25% |
| Salary increases | 2.85% to 13.75% |
| Interest rate | 7.25% |
| Asset valuation method | Fair value |

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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 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.

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, 2020 | \$ 68,605,490 | \$ 67,429,654 | \$ 1,175,836 |
| Changes for the period | | | |
| Service cost | 1,209,957 | - | 1,209,957 |
| Interest | 4,898,265 | - | 4,898,265 |
| Difference between expected and actual experience | 591,789 | - | 591,789 |
| Changes in assumptions | (548,423) | - | (548,423) |
| Employer contributions | - | 1,129,194 | (1,129,194) |
| Employee contributions | - | 569,851 | (569,851) |
| Net investment income | - | 9,614,251 | (9,614,251) |
| Benefit payments and refunds | (3,296,391) | (3,296,391) | - |
| Other (net transfer) | - | 33,175 | (33,175) |
| Net changes | 2,855,197 | 8,050,080 | (5,194,883) |
| BALANCES AT DECEMBER 31, 2020 | \$ 71,460,687 | \$ 75,479,734 | \$ (4,019,047) |

There were changes in assumptions related to the inflation rate, projected payroll increases, and mortality rates in 2020.

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, 2021, the District recognized pension income of \$(1,178,385). At December 31, 2021, 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 | \$ 534,274 | \$ 198,486 |
| Changes in assumption | 557,852 | 673,626 |
| Contributions made after the measurement date | 1,059,810 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 5,812,052 |
| TOTAL | \$ 2,151,936 | \$ 6,684,164 |

\$1,059,810 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, 2021. 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> | |
|-------------------------------------|-----------------------|
| 2022 | \$ (1,710,566) |
| 2023 | (605,209) |
| 2024 | (2,320,431) |
| 2025 | (955,832) |
| TOTAL | \$ (5,592,038) |

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 (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) 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 (asset) | \$ 4,185,646 | \$ (4,019,047) | \$ (10,481,386) |

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, 2020 (most recent information available), membership consisted of:

| | |
|--|-------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 5 |
| Active plan members | <u>161</u> |
| TOTAL | <u>166</u> |

d. Total OPEB Liability

The District's total OPEB liability of \$1,175,133 was measured as of December 31, 2020 and was determined by an actuarial valuation as December 31, 2019.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2021, as determined by an actuarial valuation as of December 31, 2019, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified, 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 | 1.93% |
| Healthcare cost trend rates | 7.50% 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, 2020 | <u>\$ 352,196</u> |
| Changes for the period | |
| Service cost | 17,296 |
| Interest | 11,661 |
| Differences between expected and actual experience | - |
| Changes of assumptions | 58,955 |
| Changes of benefit terms | 758,831 |
| Benefit payments | <u>(23,806)</u> |
| Net changes | <u>822,937</u> |
| BALANCES AT DECEMBER 31, 2021 | <u>\$ 1,175,133</u> |

Changes in assumptions related to the discount rate were made in 2021. Changes of benefit terms represent the impact of the one-time voluntary income retirement incentive program.

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 1.93% 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 (0.93%) or 1 percentage point higher (2.93%) than the current rate:

| | 1% Decrease (0.93%) | Current Discount Rate (1.93%) | 1% Increase (2.93%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB liability | \$ 1,222,797 | \$ 1,175,133 | \$ 1,130,331 |

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 4.00% to 7.50% 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 6.50%) or 1 percentage point higher (5.00% to 8.50%) than the current rate:

| | 1% Decrease (3.00% to 6.50%) | Current Healthcare Rate (4.00% to 7.50%) | 1% Increase (5.00% to 8.50%) |
|----------------------|---------------------------------|--|---------------------------------|
| Total OPEB liability | \$ 1,113,672 | \$ 1,175,133 | \$ 1,244,142 |

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

For the year ended December 31, 2021, the District recognized OPEB expense of \$266,024. At December 31, 2021, 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 | \$ 56,502 | \$ 67,400 |
| Differences between actual and expected experience | - | 71,256 |
| Employer contributions subsequent to measurement date | 511,397 | - |
| TOTAL | \$ 567,899 | \$ 138,656 |

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

| Year Ending December 31, | |
|-----------------------------|--------------------|
| 2022 | \$ (18,092) |
| 2023 | (18,092) |
| 2024 | (18,090) |
| 2025 | (20,081) |
| 2026 | (16,222) |
| Thereafter | 8,423 |
| TOTAL | \$ (82,154) |

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.

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.

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

11. RISK MANAGEMENT (Continued)

The changes in claims and judgments are as follows:

| | <u>2021</u> | <u>2020</u> |
|-------------------------------|--------------------|--------------------|
| CLAIMS PAYABLE, JANUARY 1 | \$ 818,280 | \$ 881,254 |
| Add: Claims incurred/premiums | 2,245,084 | 2,866,482 |
| Less: Claim paid/dismissed | <u>(2,160,848)</u> | <u>(2,929,456)</u> |
| CLAIMS PAYABLE, DECEMBER 31 | <u>\$ 902,516</u> | <u>\$ 818,280</u> |

12. 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, 2021, is approximately \$51,271 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, 2021, was \$615,250.

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, 2021, are as follows:

| <u>Year Ending December 31,</u> | <u>Amount</u> |
|-------------------------------------|---------------------|
| 2022 | \$ 523,650 |
| 2023 | 523,650 |
| 2024 | 453,800 |
| 2025 | 453,800 |
| 2026 | 453,800 |
| 2027-2030 | <u>999,450</u> |
| TOTAL | <u>\$ 3,408,150</u> |

The cost of the buildings being leased is \$17,255,382, accumulated depreciation is \$3,779,464, resulting in a \$13,475,918 book value, as of December 31, 2021.

13. CONTINGENCIES AND COMMITMENTS

The District has recorded a liability on the government-wide financial statement of net position of \$500,000 to record its estimated liability related to environmental remediation of real estate.

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.

14. 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 \$47,273 related to this arrangement.

15. SUBSEQUENT EVENT

On March 8, 2022, the District issued \$5,455,000 in General Obligation Park Bonds (Alternate Revenue Source), Series 2022A. The bond proceeds will be used (i) for the payment of land condemned or purchased for parks, for the building, maintaining, improving and protecting of the same and the existing land and facilities of the District and for the payment of the expenses incident thereto, including renovating the District's Riverview Ice House and (ii) to pay costs of issuing the bonds.

16. 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.

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

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

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.

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

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

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

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

b. 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 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, 2021. 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 related to donor restricted contributions and endowment gifts which were not yet invested at December 31, 2021. Restricted cash was \$3,665,500 as of December 31, 2021.

e. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Foundation includes any receivable balances that are deemed to be uncollectible in the allowance for doubtful accounts. After all attempts to collect have failed, the receivable is written off against the allowance. Based on management's evaluation as of December 31, 2021, no allowance is deemed necessary. However, actual write-offs may occur.

f. 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.

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

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

f. 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.

g. 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.

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

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

h. 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.

i. 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.

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

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

i. Fair Value Measurements (Continued)

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.

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 year ended December 31, 2021.

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.

j. 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 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.

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

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

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

k. Property and Equipment

All purchased property is recorded at the lower of cost or fair value at the time of purchase. Donated property is recorded at the estimated fair 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.

l. 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.

m. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Expenses that can be identified with a specific program or supporting service are charged to the program or supporting service. Costs that cannot be directly charged are allocated based on the services benefited. Expenses that are allocated include salaries and wages, which are allocated based on time and effort.

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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|---------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 6,644,374 | \$ 6,644,374 | \$ 6,744,400 | \$ 100,026 |
| Intergovernmental | 310,303 | 310,303 | 1,230,339 | 920,036 |
| Fees and admissions | 176,420 | 176,420 | 211,616 | 35,196 |
| Investment income | 9,200 | 9,200 | 1,199 | (8,001) |
| Miscellaneous income | 189,368 | 189,368 | 179,902 | (9,466) |
| Total revenues | 7,329,665 | 7,329,665 | 8,367,456 | 1,037,791 |
| EXPENDITURES | | | | |
| Current | | | | |
| Park operations | 4,787,454 | 4,419,700 | 4,419,554 | (146) |
| Administration | 6,026,992 | 5,564,600 | 5,564,552 | (48) |
| Debt service | | | | |
| Principal retirement | - | 4,385 | 4,385 | - |
| Total expenditures | 10,814,446 | 9,988,685 | 9,988,491 | (194) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,484,781) | (2,659,020) | (1,621,035) | 1,037,985 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 4,061,204 | 4,047,459 | 4,047,459 | - |
| Transfers (out) | (576,423) | (2,380,000) | (2,380,000) | - |
| Issuance of intergovernmental obligation | - | 23,045 | 23,045 | - |
| Total other financing sources (uses) | 3,484,781 | 1,690,504 | 1,690,504 | - |
| NET CHANGE IN FUND BALANCE | \$ - | \$ (968,516) | 69,469 | \$ 1,037,985 |
| FUND BALANCE, JANUARY 1 | | | 3,477,784 | |
| FUND BALANCE, DECEMBER 31 | | | \$ 3,547,253 | |

(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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|--------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 6,524,560 | \$ 6,524,560 | \$ 6,627,851 | \$ 103,291 |
| Intergovernmental | 2,266,724 | 2,266,724 | 2,799,060 | 532,336 |
| Fees and admissions | 8,197,631 | 8,197,631 | 8,300,637 | 103,006 |
| Investment income | - | - | 167 | 167 |
| Miscellaneous income | 792,913 | 792,913 | 1,184,418 | 391,505 |
| Total revenues | <u>17,781,828</u> | <u>17,781,828</u> | <u>18,912,133</u> | <u>1,130,305</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Recreation operations | | | | |
| Facilities | 10,283,245 | 10,493,240 | 10,493,078 | (162) |
| Programs | 3,324,201 | 2,904,200 | 2,904,047 | (153) |
| Total expenditures | <u>13,607,446</u> | <u>13,397,440</u> | <u>13,397,125</u> | <u>(315)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>4,174,382</u> | <u>4,384,388</u> | <u>5,515,008</u> | <u>1,130,620</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 24,000 | 74,034 | 74,034 | - |
| Transfers (out) | (4,198,382) | (5,533,508) | (5,533,508) | - |
| Total other financing sources (uses) | <u>(4,174,382)</u> | <u>(5,459,474)</u> | <u>(5,459,474)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (1,075,086)</u> | <u>55,534</u> | <u>\$ 1,130,620</u> |
| FUND BALANCE, JANUARY 1 | | | <u>161,628</u> | |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 217,162</u> | |

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Seven Fiscal Years

| FISCAL YEAR ENDED DECEMBER 31, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 1,179,898 | \$ 1,210,532 | \$ 1,209,566 | \$ 1,143,928 | \$ 918,842 | \$ 1,129,194 | \$ 1,059,810 |
| Contributions in relation to the actuarially determined contribution | 1,179,898 | 1,210,532 | 1,209,566 | 1,143,928 | 918,842 | 1,129,194 | 1,059,810 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 10,783,924 | \$ 11,330,087 | \$ 11,812,130 | \$ 11,744,693 | \$ 11,920,094 | \$ 12,347,320 | \$ 11,923,005 |
| Contributions as a percentage of covered payroll | 10.94% | 10.68% | 10.24% | 9.74% | 7.71% | 9.15% | 8.89% |

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 23 years; the asset valuation method was five-year smoothed market and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% 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 Seven Fiscal Years

| MEASUREMENT DATE DECEMBER 31 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| TOTAL PENSION LIABILITY | | | | | | | |
| Service cost | \$ 1,141,037 | \$ 1,116,323 | \$ 1,153,885 | \$ 1,211,849 | \$ 1,138,992 | \$ 1,172,563 | \$ 1,209,957 |
| Interest | 3,796,960 | 4,058,985 | 4,324,937 | 4,482,500 | 4,588,906 | 4,718,817 | 4,898,265 |
| Changes of benefit terms | - | - | - | - | - | - | - |
| Differences between expected and actual experience | (699,746) | 974,639 | (638,604) | 621,327 | (379,328) | (148,138) | 591,789 |
| Changes of assumptions | 1,714,348 | 69,460 | (71,065) | (1,832,217) | 1,746,968 | - | (548,423) |
| Benefits payments, including refunds of member contributions | (2,298,770) | (2,594,373) | (2,635,991) | (2,912,574) | (3,143,986) | (3,277,216) | (3,296,391) |
| Net change in total pension liability | 3,653,829 | 3,625,034 | 2,133,162 | 1,570,885 | 3,951,552 | 2,466,026 | 2,855,197 |
| Total pension liability - beginning | 51,205,002 | 54,858,831 | 58,483,865 | 60,617,027 | 62,187,912 | 66,139,464 | 68,605,490 |
| TOTAL PENSION LIABILITY - ENDING | \$ 54,858,831 | \$ 58,483,865 | \$ 60,617,027 | \$ 62,187,912 | \$ 66,139,464 | \$ 68,605,490 | \$ 71,460,687 |
| PLAN FIDUCIARY NET POSITION | | | | | | | |
| Contributions - employer | \$ 1,178,537 | \$ 1,179,898 | \$ 1,210,528 | \$ 1,387,513 | \$ 1,143,933 | \$ 918,841 | \$ 1,129,194 |
| Contributions - member | 457,530 | 494,501 | 513,138 | 558,563 | 530,766 | 546,115 | 569,851 |
| Net investment income | 3,071,467 | 259,828 | 3,607,778 | 9,625,998 | (3,420,325) | 11,008,687 | 9,614,251 |
| Benefit payments, including refunds of member contributions | (2,298,770) | (2,594,373) | (2,635,991) | (2,912,574) | (3,143,986) | (3,277,216) | (3,296,391) |
| Other | (666,433) | 359,279 | 49,886 | (1,041,836) | 968,010 | (332,909) | 33,175 |
| Net change in plan fiduciary net position | 1,742,331 | (300,867) | 2,745,339 | 7,617,664 | (3,921,602) | 8,863,518 | 8,050,080 |
| Plan fiduciary net position - beginning | 50,683,271 | 52,425,602 | 52,124,735 | 54,870,074 | 62,487,738 | 58,566,136 | 67,429,654 |
| PLAN FIDUCIARY NET POSITION - ENDING | \$ 52,425,602 | \$ 52,124,735 | \$ 54,870,074 | \$ 62,487,738 | \$ 58,566,136 | \$ 67,429,654 | \$ 75,479,734 |
| EMPLOYER'S NET PENSION LIABILITY (ASSET) | \$ 2,433,229 | \$ 6,359,130 | \$ 5,746,953 | \$ (299,826) | \$ 7,573,328 | \$ 1,175,836 | \$ (4,019,047) |

| MEASUREMENT DATE DECEMBER 31 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Plan fiduciary net position as a percentage of the total pension liability | 95.56% | 89.13% | 90.52% | 100.48% | 88.55% | 98.29% | 105.62% |
| Covered payroll | \$ 10,245,500 | \$ 10,783,924 | \$ 11,399,278 | \$ 11,812,130 | \$ 11,744,693 | \$ 11,912,700 | \$ 12,340,915 |
| Employer's net pension liability (asset) as a percentage of covered payroll | 23.75% | 58.97% | 50.42% | (2.54%) | 64.48% | 9.87% | (32.57%) |

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. There was a change in the inflation rate, projected payroll increases, and mortality rates from 2019 to 2020.

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 Four Fiscal Years

| MEASUREMENT DATE DECEMBER 31, | 2017 | 2018 | 2019 | 2020 |
|---|-------------------|-------------------|-------------------|---------------------|
| TOTAL OPEB LIABILITY | | | | |
| Service cost | \$ 22,432 | \$ 24,791 | \$ 22,890 | \$ 17,296 |
| Interest | 19,656 | 18,735 | 21,425 | 11,661 |
| Differences between expected and actual experience | - | - | (99,758) | - |
| Changes of benefit terms | - | - | - | 758,831 |
| Changes of assumptions | 13,925 | (27,020) | (72,744) | 58,955 |
| Benefit payments | (32,326) | (35,154) | (38,230) | (23,806) |
| Net change in total OPEB liability | 23,687 | (18,648) | (166,417) | 822,937 |
| Total OPEB liability - beginning | 513,574 | 537,261 | 518,613 | 352,196 |
| TOTAL OPEB LIABILITY - ENDING | \$ 537,261 | \$ 518,613 | \$ 352,196 | \$ 1,175,133 |
| Covered payroll | \$ 10,207,214 | \$ 10,609,091 | \$ 9,087,181 | \$ 9,486,108 |
| Employer's total OPEB liability as a percentage of covered payroll | 5.26% | 4.89% | 3.88% | 12.39% |

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%.

For December 31, 2019, the discount rate has been updated from 4.10% to 3.26% and changes to healthcare cost trend rates were made.

For December 31, 2020, the discount rate has been updated from 3.26% to 1.93% and changes of benefit terms represent the impact of the one-time voluntary income retirement incentive program.

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, 2021

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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|---------------|--|
| REVENUES | | | | |
| Property taxes | \$ 6,644,374 | \$ 6,644,374 | \$ 6,744,400 | \$ 100,026 |
| Intergovernmental | 310,303 | 310,303 | 1,230,339 | 920,036 |
| Fees and admissions | 176,420 | 176,420 | 211,616 | 35,196 |
| Investment income | 9,200 | 9,200 | 1,199 | (8,001) |
| Miscellaneous income | 189,368 | 189,368 | 179,902 | (9,466) |
| | <hr/> | | | |
| Total revenues | 7,329,665 | 7,329,665 | 8,367,456 | 1,037,791 |
| <hr/> | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| Personnel costs | 6,022,715 | 5,694,400 | 5,694,389 | (11) |
| Employee benefits | 1,382,160 | 1,170,300 | 1,170,257 | (43) |
| Commodities | 584,905 | 680,000 | 679,907 | (93) |
| Professional services | 2,824,666 | 2,439,600 | 2,439,553 | (47) |
| Debt service | | | | |
| Principal retirement | - | 4,385 | 4,385 | - |
| | <hr/> | | | |
| Total expenditures | 10,814,446 | 9,988,685 | 9,988,491 | (194) |
| <hr/> | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,484,781) | (2,659,020) | (1,621,035) | 1,037,985 |
| <hr/> | | | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 4,061,204 | 4,047,459 | 4,047,459 | - |
| Transfers (out) | (576,423) | (2,380,000) | (2,380,000) | - |
| Issuance of intergovernmental obligation | - | 23,045 | 23,045 | - |
| | <hr/> | | | |
| Total other financing sources (uses) | 3,484,781 | 1,690,504 | 1,690,504 | - |
| <hr/> | | | | |
| NET CHANGE IN FUND BALANCE | \$ - | \$ (968,516) | 69,469 | \$ 1,037,985 |
| <hr/> | | | | |
| FUND BALANCE, JANUARY 1 | | | 3,477,784 | |
| <hr/> | | | | |
| FUND BALANCE, DECEMBER 31 | | | \$ 3,547,253 | |
| <hr/> | | | | |

(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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|--------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 6,524,560 | \$ 6,524,560 | \$ 6,627,851 | \$ 103,291 |
| Intergovernmental | 2,266,724 | 2,266,724 | 2,799,060 | 532,336 |
| Fees and admissions | 8,197,631 | 8,197,631 | 8,300,637 | 103,006 |
| Investment income | - | - | 167 | 167 |
| Miscellaneous income | 792,913 | 792,913 | 1,184,418 | 391,505 |
| Total revenues | 17,781,828 | 17,781,828 | 18,912,133 | 1,130,305 |
| EXPENDITURES | | | | |
| Current | | | | |
| Personnel costs | 8,173,785 | 7,486,100 | 7,485,995 | (105) |
| Employee benefits | 1,237,200 | 1,057,040 | 1,057,037 | (3) |
| Commodities | 1,734,848 | 1,984,400 | 1,984,347 | (53) |
| Professional services | 2,461,613 | 2,869,900 | 2,869,746 | (154) |
| Total expenditures | 13,607,446 | 13,397,440 | 13,397,125 | (315) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 4,174,382 | 4,384,388 | 5,515,008 | 1,130,620 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 24,000 | 74,034 | 74,034 | - |
| Transfers (out) | (4,198,382) | (5,533,508) | (5,533,508) | - |
| Total other financing sources (uses) | (4,174,382) | (5,459,474) | (5,459,474) | - |
| NET CHANGE IN FUND BALANCE | \$ - | \$ (1,075,086) | 55,534 | \$ 1,130,620 |
| FUND BALANCE, JANUARY 1 | | | 161,628 | |
| FUND BALANCE, DECEMBER 31 | | | \$ 217,162 | |

(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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|----------------------------------|----------------------------|-------------------------|--------------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 5,928,973 | \$ 5,930,061 | \$ 6,016,663 | \$ 86,602 |
| Investment income | 8,000 | 8,000 | 705 | (7,295) |
| Total revenues | <u>5,936,973</u> | <u>5,938,061</u> | <u>6,017,368</u> | <u>79,307</u> |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 5,805,000 | 5,805,000 | 5,805,000 | - |
| Interest and fiscal charges | 195,494 | 195,474 | 195,474 | - |
| Total expenditures | <u>6,000,494</u> | <u>6,000,474</u> | <u>6,000,474</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (63,521)</u> | <u>\$ (62,413)</u> | 16,894 | <u>\$ 79,307</u> |
| FUND BALANCE, JANUARY 1 | | | <u>287,719</u> | |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 304,613</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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|----------------------|--|
| REVENUES | | | | |
| Intergovernmental | \$ 2,089,010 | \$ 2,089,010 | \$ 1,619,584 | \$ (469,426) |
| Local donations | 847,796 | 847,796 | 926,062 | 78,266 |
| Fees and admissions | 113,800 | 113,800 | 113,800 | - |
| Investment income | 17,000 | 17,000 | 3,539 | (13,461) |
| Miscellaneous income | - | - | 9,737 | 9,737 |
| Total revenues | 3,067,606 | 3,067,606 | 2,672,722 | (394,884) |
| EXPENDITURES | | | | |
| Current | | | | |
| Personnel costs | 531,881 | 503,000 | 502,804 | (196) |
| Employee benefits | 76,570 | 70,600 | 70,517 | (83) |
| Commodities | 32,210 | 1,800 | 1,784 | (16) |
| Professional services | 333,480 | 2,582,000 | 2,581,430 | (570) |
| Capital outlay | 6,715,824 | 3,370,000 | 3,369,775 | (225) |
| Debt service | | | | |
| Principal | 1,612,560 | 1,827,750 | 1,827,650 | (100) |
| Interest and fiscal charges | 1,580,214 | 1,624,250 | 1,624,073 | (177) |
| Total expenditures | 10,882,739 | 9,979,400 | 9,978,033 | (1,367) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (7,815,133) | (6,911,794) | (7,305,311) | (393,517) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 740,634 | 4,657,453 | 4,657,453 | - |
| Issuance of bonds | 5,870,000 | 5,870,000 | 6,046,000 | 176,000 |
| Issuance of capital lease | - | - | 356,724 | 356,724 |
| Insurance proceeds | - | - | 289,220 | 289,220 |
| Proceeds from the sale of capital assets | 10,000 | 10,000 | 23,186 | 13,186 |
| Total other financing sources (uses) | 6,620,634 | 10,537,453 | 11,372,583 | 835,130 |
| NET CHANGE IN FUND BALANCE | \$ (1,194,499) | \$ 3,625,659 | 4,067,272 | \$ 441,613 |
| FUND BALANCE, JANUARY 1 | | | 11,259,175 | |
| FUND BALANCE, DECEMBER 31 | | | \$ 15,326,447 | |

(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, 2021

| | Special Revenue | | | | | | Permanent Working Cash | Total |
|--|---------------------|----------------------|---------------------|------------------------|-------------------|-----------------------|------------------------------|----------------------|
| | Museum | Police Protection | Employee Benefit | Liability Insurance | Audit | Special Recreation | | |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| ASSETS | | | | | | | | |
| Cash | \$ 21,911 | \$ 11,540 | \$ 67,842 | \$ 55,734 | \$ 2,411 | \$ 58,927 | \$ 24,729 | \$ 243,094 |
| Investments | 608,815 | 320,636 | 1,885,041 | 1,548,605 | 66,981 | 1,637,333 | 687,103 | 6,754,514 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | | | | | | |
| Property taxes | 1,814,660 | 642,383 | 1,224,891 | 724,866 | 45,297 | 896,235 | - | 5,348,332 |
| Prepaid expenditures | - | - | - | - | - | 308 | - | 308 |
| Total assets | 2,445,386 | 974,559 | 3,177,774 | 2,329,205 | 114,689 | 2,592,803 | 711,832 | 12,346,248 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| None | - | - | - | - | - | - | - | - |
| Total deferred outflows of resources | - | - | - | - | - | - | - | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 2,445,386 | \$ 974,559 | \$ 3,177,774 | \$ 2,329,205 | \$ 114,689 | \$ 2,592,803 | \$ 711,832 | \$ 12,346,248 |

| | 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 | \$ - | \$ 15,485 | \$ - | \$ 200,064 | \$ 3,001 | \$ 18,666 | \$ - | \$ 237,216 |
| Accrued payroll | - | 18,009 | 216,354 | - | - | 6,001 | - | 240,364 |
| Total liabilities | - | 33,494 | 216,354 | 200,064 | 3,001 | 24,667 | - | 477,580 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable revenue | 1,811,756 | 641,344 | 1,222,281 | 723,657 | 45,205 | 894,755 | - | 5,338,998 |
| Total deferred inflows of resources | 1,811,756 | 641,344 | 1,222,281 | 723,657 | 45,205 | 894,755 | - | 5,338,998 |
| Total liabilities and deferred inflows of resources | 1,811,756 | 674,838 | 1,438,635 | 923,721 | 48,206 | 919,422 | - | 5,816,578 |
| FUND BALANCES | | | | | | | | |
| Nonspendable - prepaid items | - | - | - | - | - | 308 | - | 308 |
| Nonspendable - working cash | - | - | - | - | - | - | 711,832 | 711,832 |
| Restricted for museum operations | 608,412 | - | - | - | - | - | - | 608,412 |
| Restricted for police protection | - | 4,088 | - | - | - | - | - | 4,088 |
| Restricted for employee benefits | - | - | 1,739,139 | - | - | - | - | 1,739,139 |
| Restricted for liability insurance | - | - | - | 1,405,484 | - | - | - | 1,405,484 |
| Restricted for audit | - | - | - | - | 63,564 | - | - | 63,564 |
| Restricted for special recreation | - | - | - | - | - | 1,586,826 | - | 1,586,826 |
| Unrestricted | | | | | | | | |
| Assigned for museum operations | 25,218 | - | - | - | - | - | - | 25,218 |
| Assigned for police protection | - | 295,633 | - | - | - | - | - | 295,633 |
| Assigned for audit | - | - | - | - | 2,919 | - | - | 2,919 |
| Assigned for special recreation | - | - | - | - | - | 86,247 | - | 86,247 |
| Total fund balances | 633,630 | 299,721 | 1,739,139 | 1,405,484 | 66,483 | 1,673,381 | 711,832 | 6,529,670 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | |
| | \$ 2,445,386 | \$ 974,559 | \$ 3,177,774 | \$ 2,329,205 | \$ 114,689 | \$ 2,592,803 | \$ 711,832 | \$ 12,346,248 |

(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, 2021

| | Special Revenue | | | | | | Permanent | Total Nonmajor Governmental Funds |
|--|------------------|----------------------|---------------------|------------------------|---------------|-----------------------|-----------------|--|
| | Museum | Police Protection | Employee Benefit | Liability Insurance | Audit | Special Recreation | Working Cash | |
| REVENUES | | | | | | | | |
| Property taxes | \$ 1,738,247 | \$ 621,664 | \$ 1,563,120 | \$ 725,151 | \$ 54,773 | \$ 885,654 | \$ - | \$ 5,588,609 |
| Intergovernmental | - | 725,673 | 1,036,858 | - | - | 21,101 | - | 1,783,632 |
| Fees and admissions | - | 16,298 | - | - | - | 31,535 | - | 47,833 |
| Investment income | 133 | 176 | 548 | 461 | 16 | 502 | 206 | 2,042 |
| Miscellaneous income | - | 34,380 | 2,991 | - | - | 50,032 | - | 87,403 |
| Total revenues | 1,738,380 | 1,398,191 | 2,603,517 | 725,612 | 54,789 | 988,824 | 206 | 7,509,519 |
| EXPENDITURES | | | | | | | | |
| Current | | | | | | | | |
| Park operations | - | - | 357,904 | 125,314 | - | - | - | 483,218 |
| Recreation operations | | | | | | | | |
| Facilities | - | - | 778,843 | 314,343 | - | - | - | 1,093,186 |
| Programs | - | - | 288,571 | 94,552 | - | - | - | 383,123 |
| Therapeutic operations | - | - | 62,578 | 25,561 | - | 614,552 | - | 702,691 |
| Museum operations | 1,193,827 | - | - | - | - | - | - | 1,193,827 |
| Police protection | - | 1,361,637 | 166,063 | 45,994 | - | - | - | 1,573,694 |
| Administration | - | - | 538,210 | 148,236 | 55,127 | - | - | 741,573 |
| Total expenditures | 1,193,827 | 1,361,637 | 2,192,169 | 754,000 | 55,127 | 614,552 | - | 6,171,312 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 544,553 | 36,554 | 411,348 | (28,388) | (338) | 374,272 | 206 | 1,338,207 |

| | Special Revenue | | | | | Permanent | Nonmajor | |
|---------------------------------------|-----------------|-------------------|------------------|---------------------|-----------|--------------------|--------------|--------------------|
| | Museum | Police Protection | Employee Benefit | Liability Insurance | Audit | Special Recreation | Working Cash | Governmental Funds |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 13,000 | \$ - | \$ 13,000 |
| Transfers (out) | (512,047) | - | - | - | - | (366,185) | (206) | (878,438) |
| Total other financing sources (uses) | (512,047) | - | - | - | - | (353,185) | (206) | (865,438) |
| NET CHANGE IN FUND BALANCES | 32,506 | 36,554 | 411,348 | (28,388) | (338) | 21,087 | - | 472,769 |
| FUND BALANCES, JANUARY 1 | 601,124 | 263,167 | 1,327,791 | 1,433,872 | 66,821 | 1,652,294 | 711,832 | 6,056,901 |
| FUND BALANCES, DECEMBER 31 | \$ 633,630 | \$ 299,721 | \$ 1,739,139 | \$ 1,405,484 | \$ 66,483 | \$ 1,673,381 | \$ 711,832 | \$ 6,529,670 |

(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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|--------------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 1,704,203 | \$ 1,704,203 | \$ 1,738,247 | \$ 34,044 |
| Investment income | 1,600 | 1,600 | 133 | (1,467) |
| Total revenues | <u>1,705,803</u> | <u>1,705,803</u> | <u>1,738,380</u> | <u>32,577</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Museum operations | | | | |
| Professional services | 1,193,756 | 1,193,830 | 1,193,827 | (3) |
| Total expenditures | <u>1,193,756</u> | <u>1,193,830</u> | <u>1,193,827</u> | <u>(3)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>512,047</u> | <u>511,973</u> | <u>544,553</u> | <u>32,580</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (out) | (512,047) | (512,047) | (512,047) | - |
| Total other financing sources (uses) | <u>(512,047)</u> | <u>(512,047)</u> | <u>(512,047)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (74)</u> | <u>32,506</u> | <u>\$ 32,580</u> |
| FUND BALANCE, JANUARY 1 | | | <u>601,124</u> | |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 633,630</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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|-------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 611,734 | \$ 611,734 | \$ 621,664 | \$ 9,930 |
| Intergovernmental | 685,622 | 685,622 | 725,673 | 40,051 |
| Fees and admissions | 38,300 | 38,300 | 16,298 | (22,002) |
| Investment income | 780 | 780 | 176 | (604) |
| Miscellaneous income | 2,000 | 2,000 | 34,380 | 32,380 |
| Total revenues | <u>1,338,436</u> | <u>1,338,436</u> | <u>1,398,191</u> | <u>59,755</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Police protection | | | | |
| Personnel costs | 1,105,074 | 996,000 | 995,277 | (723) |
| Employee benefits | 245,388 | 224,000 | 223,959 | (41) |
| Commodities | 63,160 | 69,500 | 69,094 | (406) |
| Professional services | 80,608 | 73,500 | 73,307 | (193) |
| Total expenditures | <u>1,494,230</u> | <u>1,363,000</u> | <u>1,361,637</u> | <u>(1,363)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(155,794)</u> | <u>(24,564)</u> | <u>36,554</u> | <u>61,118</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 155,794 | - | - | - |
| Total other financing sources (uses) | <u>155,794</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (24,564)</u> | <u>36,554</u> | <u>\$ 61,118</u> |
| FUND BALANCE, JANUARY 1 | | | <u>263,167</u> | |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 299,721</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
EMPLOYEE BENEFIT FUND

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|----------------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 1,536,557 | \$ 1,536,870 | \$ 1,563,120 | \$ 26,250 |
| Intergovernmental | 541,200 | 541,200 | 1,036,858 | 495,658 |
| Investment income | 4,043 | 4,043 | 548 | (3,495) |
| Miscellaneous income | - | - | 2,991 | 2,991 |
| Total revenues | <u>2,081,800</u> | <u>2,082,113</u> | <u>2,603,517</u> | <u>521,404</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Park operations | 411,166 | 370,899 | 357,904 | (12,995) |
| Recreation operations | | | | |
| Facilities | 916,124 | 826,402 | 778,843 | (47,559) |
| Programs | 325,618 | 293,728 | 288,571 | (5,157) |
| Therapeutic operations | 78,809 | 71,091 | 62,578 | (8,513) |
| Police protection | 165,091 | 148,923 | 166,063 | 17,140 |
| Administration | 533,396 | 481,157 | 538,210 | 57,053 |
| Total expenditures | <u>2,430,204</u> | <u>2,192,200</u> | <u>2,192,169</u> | <u>(31)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(348,404)</u> | <u>(110,087)</u> | <u>411,348</u> | <u>521,435</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 348,404 | - | - | - |
| Total other financing sources (uses) | <u>348,404</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (110,087)</u> | <u>411,348</u> | <u>\$ 521,435</u> |
| FUND BALANCE, JANUARY 1 | | | <u>1,327,791</u> | |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 1,739,139</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
LIABILITY INSURANCE FUND

For the Year Ended December 31, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|---------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 708,161 | \$ 708,161 | \$ 725,151 | \$ 16,990 |
| Investment income | 5,000 | 5,000 | 461 | (4,539) |
| Total revenues | 713,161 | 713,161 | 725,612 | 12,451 |
| EXPENDITURES | | | | |
| Current | | | | |
| Park operations | 135,657 | 124,276 | 125,314 | 1,038 |
| Recreation operations | | | | |
| Facilities | 356,346 | 326,450 | 314,343 | (12,107) |
| Programs | 125,450 | 114,925 | 94,552 | (20,373) |
| Therapeutic operations | 32,597 | 29,862 | 25,561 | (4,301) |
| Police protection | 42,640 | 39,062 | 45,994 | 6,932 |
| Administration | 130,471 | 119,525 | 148,236 | 28,711 |
| Total expenditures | 823,161 | 754,100 | 754,000 | (100) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (110,000) | (40,939) | (28,388) | 12,551 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 110,000 | - | - | - |
| Total other financing sources (uses) | 110,000 | - | - | - |
| NET CHANGE IN FUND BALANCE | \$ - | \$ (40,939) | (28,388) | \$ 12,551 |
| FUND BALANCE, JANUARY 1 | | | 1,433,872 | |
| FUND BALANCE, DECEMBER 31 | | | \$ 1,405,484 | |

(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, 2021

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Over (Under)</u> |
|----------------------------|----------------------------|-------------------------|------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 53,581 | \$ 53,581 | \$ 54,773 | \$ 1,192 |
| Investment income | 200 | 200 | 16 | (184) |
| Total revenues | <u>53,781</u> | <u>53,781</u> | <u>54,789</u> | <u>1,008</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Administration | | | | |
| Professional services | <u>53,781</u> | <u>55,500</u> | <u>55,127</u> | <u>(373)</u> |
| Total expenditures | <u>53,781</u> | <u>55,500</u> | <u>55,127</u> | <u>(373)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ (1,719)</u> | <u>(338)</u> | <u>\$ 1,381</u> |
| FUND BALANCE, JANUARY 1 | | | <u>66,821</u> | |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 66,483</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, 2021

| | Original Budget | Final Budget | Actual | Variance with Final Budget Over (Under) |
|--|----------------------------|-------------------------|---------------------|--|
| REVENUES | | | | |
| Property taxes | \$ 866,495 | \$ 866,495 | \$ 885,654 | \$ 19,159 |
| Intergovernmental | 26,400 | 26,400 | 21,101 | (5,299) |
| Fees and admissions | 29,905 | 29,905 | 31,535 | 1,630 |
| Investment income | 4,800 | 4,800 | 502 | (4,298) |
| Miscellaneous income | 51,590 | 51,590 | 50,032 | (1,558) |
| | <hr/> | | | |
| Total revenues | 979,190 | 979,190 | 988,824 | 9,634 |
| <hr/> | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| Therapeutic operations | | | | |
| Personnel costs | 623,752 | 475,200 | 475,109 | (91) |
| Employee benefits | 82,227 | 61,100 | 61,013 | (87) |
| Commodities | 37,044 | 40,700 | 40,663 | (37) |
| Professional services | 82,983 | 37,800 | 37,767 | (33) |
| | <hr/> | | | |
| Total expenditures | 826,006 | 614,800 | 614,552 | (248) |
| <hr/> | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 153,184 | 364,390 | 374,272 | 9,882 |
| <hr/> | | | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 13,000 | 13,000 | 13,000 | - |
| Transfers (out) | (166,184) | (366,185) | (366,185) | - |
| | <hr/> | | | |
| Total other financing sources (uses) | (153,184) | (353,185) | (353,185) | - |
| <hr/> | | | | |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ 11,205</u> | 21,087 | <u>\$ 9,882</u> |
| | | | <hr/> | |
| FUND BALANCE, JANUARY 1 | | | 1,652,294 | |
| | | | <hr/> | |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 1,673,381</u> | |

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended December 31, 2021

| CSFA Number | Program Name | State | Federal | Other | Total |
|----------------|---|---------------------|-------------------|----------------------|----------------------|
| 420-00-1960 | Site Improvements | \$ 83,138 | \$ - | \$ - | \$ 83,138 |
| 420-00-1785 | Construction and/or Renovation to Buildings, Additions, or Structures | 557 | - | - | 557 |
| 420-00-1960 | Site Improvements | 4,692 | - | 13,258 | 17,950 |
| 420-00-2433 | Local Coronavirus Urgent Remediation Emergency (or Local CURE) & Economic Support Payments Grants Program | - | 46,777 | - | 46,777 |
| 422-11-0970 | Open Space Land Acquisition & Development | 207,130 | - | 207,130 | 414,260 |
| 422-11-1095 | Boat Access Area Development | 176,029 | - | - | 176,029 |
| 422-11-1163 | Snowmobile Local Government | 45,689 | - | - | 45,689 |
| 444-80-1411 | Teen REACH (Responsibility, Education, Achievement, Caring and Hope) | - | 17,365 | - | 17,365 |
| 444-80-2377 | Illinois Youth Investment Program | 60,309 | 267,036 | - | 327,345 |
| 532-60-2388 | Green Infrastructure Grant Opportunities | 21,569 | - | 3,806 | 25,375 |
| 546-00-2446 | Violence Prevention - Rockford Park District | 482,414 | - | - | 482,414 |
| | Other grant programs and activities | - | - | - | - |
| | All other costs not allocated | - | - | 36,452,512 | 36,452,512 |
| | TOTAL | <u>\$ 1,081,527</u> | <u>\$ 331,178</u> | <u>\$ 36,676,706</u> | <u>\$ 38,089,411</u> |

(See independent auditor's report.)

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

SIKICH.COM

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021 and the related notes to financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated April 26, 2022.

The financial statements of the Rockford Park District Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Rockford Park District Foundation.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sikich LLP

Naperville, Illinois
April 26, 2022

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. | 83-88 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | 89-92 |
| 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. | 93-97 |
| 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. | 98-99 |
| 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. | 100-102 |

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Net investment in capital assets | \$ 63,657,961 | \$ 64,804,127 | \$ 66,466,818 | \$ 66,137,281 | \$ 66,751,016 | \$ 67,076,660 | \$ 65,477,746 | \$ 66,949,373 | \$ 65,694,306 | \$ 65,317,438 |
| Restricted | 8,816,174 | 7,587,233 | 17,906,021 | 16,913,944 | 16,380,920 | 16,324,786 | 19,622,644 | 17,059,642 | 17,497,627 | 17,853,603 |
| Unrestricted | (11,049,544) | (10,245,096) | (10,571,903) | (10,000,303) | (8,779,507) | (10,479,582) | (8,169,392) | (201,996) | (46,218) | 6,516,780 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 61,424,591 | \$ 62,146,264 | \$ 73,800,936 | \$ 73,050,922 | \$ 74,352,429 | \$ 72,921,864 | \$ 76,930,998 | \$ 83,807,019 | \$ 83,145,715 | \$ 89,687,821 |

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| EXPENSES | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Park operations | \$ 6,416,140 | \$ 6,354,290 | \$ 6,527,857 | \$ 6,878,434 | \$ 6,807,504 | \$ 6,619,566 | \$ 6,546,077 | \$ 7,450,503 | \$ 6,868,682 | \$ 7,552,495 |
| Recreation operations | 20,949,593 | 19,604,372 | 19,641,401 | 19,829,648 | 22,046,390 | 24,068,759 | 25,140,864 | 20,191,774 | 18,409,949 | 18,119,346 |
| Museum operations | 2,043,907 | 2,259,746 | 1,791,665 | 1,771,005 | 1,605,201 | 1,616,431 | 1,708,997 | 1,713,213 | 1,664,447 | 1,707,291 |
| Police protection | 2,043,411 | 1,984,336 | 1,932,322 | 1,940,498 | 1,533,013 | 1,601,164 | 1,668,729 | 1,618,528 | 1,703,312 | 1,468,869 |
| Administration | 6,912,356 | 7,084,225 | 6,930,477 | 7,125,634 | 7,893,541 | 7,484,737 | 7,362,650 | 6,844,501 | 7,856,185 | 7,505,016 |
| Interest on debt | 681,339 | 536,339 | 775,660 | 498,884 | 1,612,460 | 1,465,874 | 2,252,762 | 2,161,876 | 1,896,654 | 1,736,394 |
| TOTAL GOVERNMENTAL ACTIVITIES EXPENSES | \$ 39,046,746 | \$ 37,823,308 | \$ 37,599,382 | \$ 38,044,103 | \$ 41,498,109 | \$ 42,856,531 | \$ 44,680,079 | \$ 39,980,395 | \$ 38,399,229 | \$ 38,089,411 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Program revenues | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Recreation operations | \$ 10,252,999 | \$ 8,328,295 | \$ 8,313,033 | \$ 9,169,912 | \$ 10,353,537 | \$ 10,224,538 | \$ 10,255,875 | \$ 8,842,337 | \$ 5,990,819 | \$ 8,446,122 |
| Other | 313,189 | 323,438 | 338,082 | 340,170 | 345,443 | 307,381 | 325,418 | 335,026 | 211,967 | 283,319 |
| Operating grants and contributions | 1,581,212 | 922,910 | 967,790 | 967,879 | 1,417,125 | 1,592,625 | 1,438,550 | 1,768,356 | 1,566,720 | 2,634,258 |
| Capital grants and contributions | 2,410,343 | 2,112,428 | 12,917,539 | 2,093,680 | 2,469,758 | 2,506,510 | 2,730,679 | 2,152,352 | 1,576,896 | 3,484,336 |
| TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES | \$ 14,557,743 | \$ 11,687,071 | \$ 22,536,444 | \$ 12,571,641 | \$ 14,585,863 | \$ 14,631,054 | \$ 14,750,522 | \$ 13,098,071 | \$ 9,346,402 | \$ 14,848,035 |
| NET REVENUE (EXPENSE) | | | | | | | | | | |
| Governmental activities | \$ (24,489,003) | \$ (26,136,237) | \$ (15,062,938) | \$ (25,472,462) | \$ (26,912,246) | \$ (28,225,477) | \$ (29,929,557) | \$ (26,882,324) | \$ (29,052,827) | \$ (23,241,376) |

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL REVENUES AND OTHER | | | | | | | | | | |
| CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | \$ 22,724,413 | \$ 23,285,043 | \$ 23,564,421 | \$ 23,544,225 | \$ 23,613,467 | \$ 23,678,883 | \$ 23,782,627 | \$ 23,984,045 | \$ 23,929,412 | \$ 24,977,523 |
| Intergovernmental | 2,139,301 | 2,371,606 | 2,441,525 | 2,304,035 | 2,306,928 | 2,585,949 | 2,364,529 | 2,753,535 | 2,460,954 | 4,320,240 |
| Investment earnings | 30,611 | 23,965 | 22,857 | 22,967 | 55,986 | 134,838 | 377,353 | 473,728 | 100,109 | 7,652 |
| Other | 143,732 | 1,475,848 | 367,103 | 1,282,547 | 699,305 | 395,242 | 701,194 | 1,047,037 | 901,048 | 454,881 |
| Gain on sale of capital assets | - | - | 23,152 | 1,903 | 14,875 | - | - | - | - | 23,186 |
| SPECIAL ITEM | - | - | - | - | - | - | - | 5,500,000 | 1,000,000 | - |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 25,038,057 | \$ 27,156,462 | \$ 26,419,058 | \$ 27,155,677 | \$ 26,690,561 | \$ 26,794,912 | \$ 27,225,703 | \$ 33,758,345 | \$ 28,391,523 | \$ 29,783,482 |
| CHANGE IN NET POSITION | | | | | | | | | | |
| Governmental activities | \$ 549,054 | \$ 1,020,225 | \$ 11,356,120 | \$ 1,683,215 | \$ (221,685) | \$ (1,430,565) | \$ (2,703,854) | \$ 6,876,021 | \$ (661,304) | \$ 6,542,106 |

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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|----------------------|---------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND | | | | | | | | | | |
| Nonspendable in form - inventory | \$ 54,810 | \$ 50,192 | \$ 44,449 | \$ 44,292 | \$ 49,150 | \$ 41,472 | \$ 39,866 | \$ 39,156 | \$ 38,598 | \$ 36,194 |
| Nonspendable in form - prepaid items | 43,700 | 5,000 | 5,000 | 58,865 | 87,507 | - | 48,492 | 50,873 | 12,298 | 64,045 |
| Nonspendable in form - long-term receivables | - | 30,000 | 30,000 | 27,010 | 24,040 | 21,050 | 18,060 | 15,070 | 12,080 | 9,090 |
| Unassigned | 2,783,571 | 2,913,971 | 3,013,138 | 2,941,347 | 3,147,914 | 3,415,659 | 3,421,556 | 3,244,549 | 3,414,808 | 3,437,924 |
| TOTAL GENERAL FUND | \$ 2,882,081 | \$ 2,999,163 | \$ 3,092,587 | \$ 3,071,514 | \$ 3,308,611 | \$ 3,478,181 | \$ 3,527,974 | \$ 3,349,648 | \$ 3,477,784 | \$ 3,547,253 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | | | | | | | |
| Nonspendable - inventory | \$ 91,227 | \$ 70,107 | \$ 75,122 | \$ 91,899 | \$ 92,067 | \$ 94,986 | \$ 75,410 | \$ 136,930 | \$ 121,118 | \$ 167,253 |
| Nonspendable - prepaid items | - | 2,550 | 65,060 | 6,480 | 13,818 | 7,350 | 9,459 | 19,048 | 5,463 | 211,873 |
| Nonspendable - long-term receivables | - | 100,000 | 117,000 | 89,990 | - | - | - | - | - | - |
| Nonspendable - working cash | 711,834 | 711,834 | 711,834 | 711,834 | 711,834 | 711,832 | 711,832 | 711,832 | 711,832 | 711,832 |
| Restricted | | | | | | | | | | |
| Restricted for museum operations | 614,886 | 581,826 | 572,124 | 572,124 | 569,930 | 573,617 | 573,739 | 576,229 | 576,040 | 608,412 |
| Restricted for police protection | 25,076 | 12,173 | 10,014 | - | 7,355 | 6,221 | 6,406 | 6,577 | 5,963 | 4,088 |
| Restricted for employee benefits | 1,154,228 | 1,155,723 | 1,155,723 | 1,087,854 | 970,192 | 915,611 | 1,005,272 | 1,268,410 | 1,327,791 | 1,739,139 |
| Restricted for audit | 732,219 | 37,570 | 49,121 | 49,570 | 55,867 | 60,196 | 59,998 | 58,394 | 63,902 | 63,564 |
| Restricted for special recreation | 1,444,389 | 1,423,890 | 1,439,592 | 1,438,610 | 1,476,179 | 1,509,882 | 1,507,748 | 1,570,510 | 1,566,548 | 1,586,826 |
| Restricted for debt service | 545,943 | 521,600 | 487,764 | 432,406 | 386,283 | 358,733 | 348,416 | 361,466 | 287,719 | 304,613 |
| Restricted for liability insurance | 1,552,617 | 1,552,617 | 1,552,617 | 1,512,541 | 1,478,822 | 1,448,758 | 1,409,850 | 1,387,138 | 1,433,872 | 1,405,484 |
| Restricted for capital projects | 5,356,161 | 1,948,086 | 2,886,086 | 2,901,171 | 5,098,643 | 6,476,137 | 7,265,609 | 6,484,542 | 7,321,018 | 7,587,376 |
| Unrestricted reported in | | | | | | | | | | |
| Assigned for specific purposes | 212,597 | 246,924 | 367,020 | 236,427 | 512,244 | 832,162 | 1,517,937 | 3,815,966 | - | - |
| Assigned for recreation | - | - | - | - | - | - | - | 6,197 | 40,510 | 45,413 |
| Assigned for capital | - | - | 3,421,556 | - | - | - | - | - | 932,694 | 7,532,002 |
| Assigned for museum operations | - | - | - | - | - | - | - | - | 25,084 | 25,218 |
| Assigned for police protection | - | - | - | - | - | - | - | - | 257,204 | 295,633 |
| Assigned for special recreation | - | - | - | - | - | - | - | - | 85,746 | 86,247 |
| Assigned for audit | - | - | - | - | - | - | - | - | 2,919 | 2,919 |
| Unassigned (deficit) | - | - | (70,142) | (98,094) | (59,436) | (88,986) | (56,314) | - | - | - |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | \$ 12,441,177 | \$ 8,364,900 | \$ 12,840,491 | \$ 9,032,812 | \$ 11,313,798 | \$ 12,906,499 | \$ 14,435,362 | \$ 16,403,239 | \$ 14,765,423 | \$ 22,377,892 |

Data Source

Audited financial statements

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | | | | | | | |
| Property taxes | \$ 22,724,413 | \$ 23,285,043 | \$ 23,564,421 | \$ 23,544,225 | \$ 23,613,468 | \$ 23,678,882 | \$ 23,782,627 | \$ 23,984,045 | \$ 23,929,412 | \$ 24,977,523 |
| Intergovernmental | 4,799,172 | 3,440,428 | 5,581,534 | 4,577,532 | 5,495,402 | 6,141,026 | 4,369,201 | 5,928,611 | 5,504,974 | 7,432,615 |
| Local donations | 1,855,157 | 1,920,552 | 1,499,113 | 842,821 | 596,641 | 474,930 | 604,037 | 905,941 | 601,761 | 926,062 |
| Fees and admissions | 10,486,096 | 8,560,556 | 8,515,485 | 9,437,247 | 10,698,653 | 10,528,600 | 10,574,969 | 9,174,457 | 6,190,025 | 8,673,886 |
| Investment income | 30,611 | 23,965 | 22,857 | 22,967 | 55,985 | 134,838 | 377,353 | 473,728 | 100,109 | 7,652 |
| Miscellaneous | 469,036 | 409,764 | 518,243 | 1,434,980 | 1,352,049 | 1,087,690 | 1,298,270 | 1,647,406 | 1,284,162 | 1,461,460 |
| Total revenues | 40,364,485 | 37,640,308 | 39,701,653 | 39,859,772 | 41,812,198 | 42,045,966 | 41,006,457 | 42,114,188 | 37,610,443 | 43,479,198 |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| Park operations | 5,533,664 | 5,291,305 | 5,510,187 | 5,953,904 | 5,891,953 | 5,487,190 | 5,299,649 | 6,228,659 | 5,642,763 | 6,207,684 |
| Recreation operations | 19,072,606 | 17,203,654 | 17,207,271 | 17,832,857 | 19,933,786 | 20,855,511 | 21,386,393 | 17,082,765 | 13,952,857 | 16,205,538 |
| Museum operations | 1,760,042 | 1,956,986 | 1,290,273 | 1,271,094 | 1,102,808 | 1,111,238 | 1,226,098 | 1,244,945 | 1,211,278 | 1,297,677 |
| Police operations | 2,021,409 | 1,887,921 | 1,845,485 | 1,919,081 | 1,524,890 | 1,472,914 | 1,552,791 | 1,534,619 | 1,556,624 | 1,573,694 |
| Administration | 6,751,085 | 6,717,204 | 6,546,841 | 6,966,476 | 6,878,525 | 7,191,578 | 7,082,577 | 6,647,166 | 7,371,081 | 7,424,485 |
| Capital outlay | 5,765,423 | 1,456,853 | 9,055,652 | 14,891,936 | 16,337,161 | 9,261,841 | 5,267,126 | 5,019,106 | 2,963,810 | 3,369,775 |
| Debt service | | | | | | | | | | |
| Principal | 7,055,000 | 6,930,500 | 7,121,077 | 6,453,266 | 6,272,793 | 6,417,571 | 6,774,047 | 7,630,892 | 7,480,950 | 7,637,035 |
| Interest | 679,635 | 782,186 | 878,015 | 795,069 | 1,672,539 | 1,657,532 | 2,230,868 | 2,152,216 | 1,982,779 | 1,819,547 |
| Payment to refunding escrow agent | - | - | - | - | 296,527 | - | - | - | - | - |
| Total expenditures | 48,638,864 | 42,226,609 | 49,454,801 | 56,083,683 | 59,910,982 | 53,455,375 | 50,819,549 | 47,540,368 | 42,162,142 | 45,535,435 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (8,274,379) | (4,586,301) | (9,753,148) | (16,223,911) | (18,098,784) | (11,409,409) | (9,813,092) | (5,426,180) | (4,551,699) | (2,056,237) |

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Bonds issued | \$ 9,540,000 | \$ - | \$ 6,723,120 | \$ 15,686,276 | \$ 21,071,548 | \$ 12,834,056 | \$ 10,895,000 | \$ 13,180,000 | \$ 5,805,000 | \$ 6,046,000 |
| 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 | - | - | - | - | - | - | - |
| Issuance of intergovernmental obligation | - | - | - | - | - | - | - | - | - | 23,045 |
| Payment to refunding escrow agent | (569,741) | - | - | (281,890) | (835,062) | - | - | (7,228,908) | - | - |
| Premium on bonds issued | 338,859 | - | 102,802 | 317,679 | 127,066 | 216,684 | 92,315 | 141,481 | 54,376 | 356,724 |
| Transfers in | 5,739,623 | 4,182,814 | 3,922,953 | 4,382,104 | 5,119,358 | 4,476,604 | 4,730,042 | 5,851,949 | 4,884,097 | 8,791,946 |
| Transfers (out) | (5,145,146) | (4,182,814) | (3,922,953) | (4,382,104) | (5,119,358) | (4,476,604) | (4,730,042) | (5,851,949) | (4,884,097) | (8,791,946) |
| Insurance proceeds | 144,519 | 1,097,079 | 124,782 | 71,184 | 114,817 | 96,065 | 374,412 | 100,309 | 59,241 | 289,220 |
| Sale of capital assets | 36,312 | 207,850 | 23,152 | 1,903 | 14,875 | 24,875 | 30,021 | 1,022,849 | 123,402 | 23,186 |
| Total other financing sources (uses) | 10,684,426 | 1,332,124 | 10,818,547 | 15,898,775 | 20,616,867 | 13,171,680 | 11,391,748 | 7,215,731 | 6,042,019 | 6,738,175 |
| NET CHANGE IN FUND BALANCES | \$ 2,410,047 | \$ (3,254,177) | \$ 1,065,399 | \$ (325,136) | \$ 2,518,083 | \$ 1,762,271 | \$ 1,578,656 | \$ 1,789,551 | \$ 1,490,320 | \$ 4,681,938 |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | 18.04% | 18.97% | 19.80% | 17.60% | 17.60% | 17.60% | 19.83% | 23.12% | 24.25% | 22.53% |

Note: 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 |
|--------------|---------------|--|-----------------------|---|---------------------------------|-----------------------|
| 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% | (4,724) | 23,987,341 | 99.36% |
| 2019 | 24,177,682 | 23,846,426 | 98.63% | (1,455) | 23,844,971 | 98.62% |
| 2020 | 24,963,493 | 24,819,293 | 99.42% | - | 24,819,293 | 99.42% |

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 |
|------------------|-------------------------------------|---|-------------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| 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% |
| 2019 | 2,348,019,651 | - | 2,348,019,651 | 1.0334 | 7,051,110,063 | 33.3% |
| 2020 | 2,480,473,123 | - | 2,480,473,123 | 1.0042 | 7,448,868,237 | 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 lessor of 5% or the consumer price index as published by the Illinois Department of Revenue, excluding new construction/annexation.

Data Source

Office of the Winnebago County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

| Tax Levy Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| DISTRICT DIRECT RATES | | | | | | | | | | |
| Corporate | 0.2500 | 0.2545 | 0.2847 | 0.3102 | 0.3184 | 0.3088 | 0.3007 | 0.2931 | 0.2713 | 0.2712 |
| Bonds and interest | 0.1892 | 0.2145 | 0.2396 | 0.2579 | 0.2675 | 0.2667 | 0.2670 | 0.2614 | 0.2499 | 0.2419 |
| IMRF | 0.0311 | 0.0366 | 0.0406 | 0.0396 | 0.0413 | 0.0452 | 0.0428 | 0.0309 | 0.0329 | 0.0284 |
| Police protection | 0.0250 | 0.0250 | 0.0250 | 0.0247 | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0249 | 0.0250 |
| Audit | 0.0020 | 0.0024 | 0.0027 | 0.0027 | 0.0027 | 0.0029 | 0.0026 | 0.0028 | 0.0025 | 0.0022 |
| Tort | 0.0259 | 0.0305 | 0.0361 | 0.0367 | 0.0383 | 0.0416 | 0.0413 | 0.0410 | 0.0370 | 0.0291 |
| Social Security | 0.0333 | 0.0387 | 0.0390 | 0.0396 | 0.0433 | 0.0480 | 0.0458 | 0.0426 | 0.0391 | 0.0344 |
| Museum | 0.0700 | 0.0700 | 0.0700 | 0.0689 | 0.0700 | 0.0698 | 0.0700 | 0.0698 | 0.0696 | 0.0699 |
| Recreation | 0.1767 | 0.2400 | 0.2800 | 0.3089 | 0.3164 | 0.3065 | 0.3019 | 0.2898 | 0.2687 | 0.2665 |
| Special recreation | 0.0400 | 0.0400 | 0.0400 | 0.0394 | 0.0400 | 0.0399 | 0.0400 | 0.0399 | 0.0375 | 0.0356 |
| TOTAL DISTRICT DIRECT RATES | 0.8432 | 0.9522 | 1.0577 | 1.1286 | 1.1629 | 1.1544 | 1.1371 | 1.0963 | 1.0334 | 1.0042 |
| OVERLAPPING RATES | | | | | | | | | | |
| City of Rockford (including Library) | 2.9051 | 3.2600 | 3.5535 | 3.7973 | 3.8791 | 3.8397 | 3.7608 | 3.6084 | 3.3749 | 3.2286 |
| Rockford Township and Rockford Township Roads | 0.2168 | 0.2349 | 0.2587 | 0.2813 | 0.2936 | 0.2942 | 0.2924 | 0.2801 | 0.2625 | 0.2493 |
| Rockford Public Schools, District No. 205 | 6.5595 | 6.6884 | 7.2301 | 7.7810 | 7.9379 | 7.8031 | 7.6496 | 7.3508 | 6.8929 | 6.5857 |
| Winnebago County including Forest Preserve | 0.9632 | 1.0495 | 1.1494 | 1.2044 | 1.2187 | 1.2033 | 1.1769 | 1.1320 | 1.0768 | 1.0509 |
| Other | 0.9115 | 0.7166 | 0.7529 | 0.7894 | 0.8041 | 0.8112 | 0.8195 | 0.8024 | 0.7562 | 0.7397 |
| TOTAL OVERLAPPING RATES | 11.5561 | 11.9494 | 12.9446 | 13.8534 | 14.1334 | 13.9515 | 13.6992 | 13.1737 | 12.3633 | 11.8542 |

Data Source

Office of the Winnebago County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

| Taxpayer | 2021 | | | 2012 | | |
|------------------------------------|--------------------------|------|---|------------------------|------|---|
| | Equalized Assessed Value | Rank | Percentage of Total District Taxable Assessed Valuation | Taxable Assessed Value | Rank | Percentage of Total District Taxable Assessed Valuation |
| CBL Cherryvale | \$ 15,391,731 | 1 | 0.62% | | | |
| Greater Rockford Airport Authority | 12,833,730 | 2 | 0.52% | \$ 11,927,080 | 2 | 0.44% |
| Wesley Willows Corp | 10,899,088 | 3 | 0.44% | | | |
| Woodward Inc. | 10,881,395 | 4 | 0.44% | | | |
| Lowes Home Centers Inc. | 10,852,139 | 5 | 0.44% | 15,250,281 | 1 | 0.56% |
| Forest Plaza LLC | 7,878,861 | 6 | 0.32% | 8,260,403 | 4 | 0.31% |
| Interstate Boulevard | | | | | | |
| Illinois Becknell Investors LLC | 6,158,843 | 7 | 0.25% | | | |
| NM PCI LP | 5,888,365 | 8 | 0.24% | | | |
| Edward Rose Associates LLC | 4,881,019 | 9 | 0.20% | | | |
| MB Rockford State LLC | 4,601,908 | 10 | 0.19% | 4,519,846 | 8 | 0.17% |
| CBL Cherryvale C/O JJ Gudin | | | | 9,910,328 | 3 | 0.37% |
| CBL/Cherryvale I LLC | | | | 5,871,766 | 5 | 0.22% |
| Two Star Property Co., Inc. | | | | 5,411,879 | 6 | 0.20% |
| Anderson Rockford Properties LLC | | | | 4,611,849 | 7 | 0.17% |
| Fairhaven Christian Home | | | | 3,994,738 | 9 | 0.15% |
| Hamilton Sundstrand MS 272-2 | | | | 3,951,829 | 10 | 0.15% |
| | <u>\$ 90,267,079</u> | | <u>3.66%</u> | <u>\$ 73,709,999</u> | | <u>2.74%</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 Winnebago County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

| Fiscal Year Ended | Governmental Activities | | | Total Primary Government | Percentage of Assessed Value | Per Capita |
|-------------------------|--------------------------------|--------------------------------|---------------------------------------|--------------------------------|---------------------------------------|---------------|
| | General Obligation Bonds | Capital Lease Obligation | Note Payable - City of Rockford | | | |
| 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 |
| 2020 | 46,663,927 | 21,602 | 2,850,000 | 49,535,529 | 0.67% | 248.34 |
| 2021 | 45,324,582 | 238,409 | 2,718,659 | 48,281,650 | 0.65% | 247.17 |

See the Schedule of Demographic and Economic Information on page 98 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 |
|------------------------|--|--|---------------|--|-----------------------|
| 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 |
| 2020 | 46,663,927 | 287,719 | 46,376,208 | 0.62% | 232.51 |
| 2021 | 45,324,582 | 304,613 | 45,019,969 | 0.60% | 230.47 |

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 90 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, 2021

| Governmental Unit | Gross Debt | Percentage Debt Applicable to the District (1) | District's Share of Debt (2) |
|---|------------------------------|---|-------------------------------------|
| Rockford Park District | \$ 48,281,650 | 100.00% | \$ 48,281,650 |
| Belvidere School District No. 100 | 59,974,120 | 4.17% | 2,503,180 |
| Harlem School District No. 122 | 8,830,000 | 45.43% | 4,011,779 |
| Rockford School District No. 205 | 145,160,395 | 88.92% | 129,081,796 |
| Meridian School District No. 223 | 9,925,000 | 0.09% | 8,631 |
| Winnebago Unit School District No.323 | 13,003,600 | 16.29% | 2,118,517 |
| Community College No. 511 | 64,650,000 | 38.91% | 25,155,088 |
| Winnebago County Forest Preserve District | 1,588,986 | 57.13% | 907,771 |
| Total overlapping debt | <u>303,132,101</u> | | <u>163,786,762</u> |
| TOTAL DIRECT AND OVERLAPPING DEBT | <u><u>\$ 351,413,751</u></u> | | <u><u>\$ 212,068,412</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 2021 Real Property Valuations.

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

Data Source

Office of the Winnebago County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

| Fiscal Year | Magic Waters | | | | | | Ice Arenas | | | | | |
|-------------|--------------------|-------------------------|-----------------------|--------------|------------|----------|--------------------|-------------------------|-----------------------|--------------|-----------|------------|
| | 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 |
| 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 |
| 2020 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| 2021 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

| Fiscal Year | Indoor Sports Center | | | | | |
|-------------|----------------------|-------------------------|-----------------------|--------------|-----------|-----------|
| | Operating Revenues | Less Operating Expenses | Net Available Revenue | Debt Service | | |
| | | | | Principal | Interest | Coverage |
| 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 |
| 2020 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2021 | 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) |
|------------------------|-----------------------|---|-------------------------------|----------------------------------|
| 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% |
| 2020 | 199,463 | 2,348,019,651 | 11,772 | 11.1% |
| 2021 | 195,338 | 2,480,473,123 | 12,698 | 8.4% |

Note: Personal income data is not available.

Data Sources

(a) Derived from Census information (2020 and 2010)

(b) Illinois Department of Employment Security

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

| Employer | 2021 | | | 2012 | | |
|-------------------------------------|------|-------------------------|----------------------------|------|-------------------------|----------------------------|
| | Rank | Number of Employees (1) | % of Total City Population | Rank | Number of Employees (2) | % of Total City Population |
| Stellantis US, LLC | 1 | 3,879 | 1.99% | | | |
| Mercy Health/Rockford Health System | 2 | 3,800 | 1.95% | 2 | 2,500 | 1.25% |
| Rockford School District No. 205 | 3 | 3,713 | 1.90% | | | |
| Swedish American Health System | 4 | 2,600 | 1.33% | 1 | 2,600 | 1.30% |
| CherryVale Mall | 5 | 2,500 | 1.28% | | | |
| United Parcel Service | 6 | 2,379 | 1.22% | | | |
| Collins Aerospace Systems | 7 | 2,000 | 1.02% | 3 | 2,000 | 1.00% |
| OSF St. Anthony's Medical Center | 8 | 2,000 | 1.02% | 4 | 2,000 | 1.00% |
| PCI Pharma Services | 9 | 1,500 | 0.77% | | | |
| Rockford Park District | 10 | 1,500 | 0.77% | | | |
| Harris Bank | | | | 5 | 1,600 | 0.80% |
| Woodward, Inc | | | | 6 | 1,200 | 0.60% |
| Woodward Aircraft Engine Systems | | | | 7 | 1,200 | 0.60% |
| Greenlee Textron, Inc. | | | | 8 | 1,000 | 0.50% |
| Cadbury Adams USA LLC | | | | 9 | 900 | 0.45% |
| Schneider Electric, Inc. | | | | 10 | 550 | 0.28% |

Data Sources

1. Source: 2022 Illinois Manufacturer's Directory, 2022 Illinois Services Directory, the Rockford Area Council of 100, the Illinois Department of Commerce and Economic Activity, and a selected telephone survey.
2. Source: Rockford Area Economic Development Council and 2011 Illinois Manufacturers and Services Directories
3. Includes full and part time employees
4. Includes approximately 1,100 seasonal employees

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|
| EMPLOYEES | | | | | | | | | | |
| Regular employees | 177 | 173 | 177 | 177 | 176 | 173 | 168 | 162 | 164 | 159 |
| Seasonal employees | 1,463 | 1,656 | 1,656 | 1,460 | 1,481 | 1,441 | 1,397 | 1,063 | 435 | 733 |
| FULL-TIME EQUIVALENT EMPLOYEES | | | | | | | | | | |
| Regular employees | 177 | 173 | 177 | 178 | 176 | 173 | 168 | 166 | 172 | 162 |
| Seasonal employees | 271 | 259 | 275 | 284 | 295 | 291 | 271 | 231 | 123 | 166 |
| GENERAL GOVERNMENT | | | | | | | | | | |
| Park operations | 53 | 49 | 57 | 64 | 66 | 60 | 49 | 54 | 49 | 54 |
| Recreation operations | 301 | 288 | 301 | 313 | 326 | 328 | 314 | 267 | 170 | 205 |
| Police protection | 34 | 31 | 31 | 24 | 20 | 18 | 19 | 18 | 18 | 17 |
| Administration | 60 | 64 | 63 | 61 | 60 | 58 | 57 | 58 | 58 | 52 |
| Total full-time equivalent employees | 448 | 432 | 452 | 462 | 471 | 464 | 439 | 397 | 295 | 328 |

Data Source

District Records

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 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 | 195,338 |

Data Sources

2012-2021 - Provided by WinGIS from 2010 Census and 2020 Census

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| PARK OPERATIONS | | | | | | | | | | |
| Acreage - owned | 4,896 | 4,929 | 4,939 | 4,953 | 4,953 | 4,962 | 4,940 | 4,918 | 4,917 | 4,920 |
| Number of parks - owned | 177 | 177 | 177 | 179 | 179 | 181 | 180 | 182 | 181 | 180 |
| RECREATION | | | | | | | | | | |
| Golf courses | 7 | 7 | 7 | 7 | 7 | 10 | 10 | 10 | 10 | 10 |
| Ice skating arena - indoor | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Outdoor swimming pools/beach | 23 | 23 | 23 | 23 | 23 | 26 | 26 | 26 | 26 | 26 |
| Indoor playground | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community center | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Tennis courts | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pickleball courts | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Softball/baseball diamonds | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 |
| Soccer fields | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Greenhouse and gardens | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Arboretum/prairies | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Equestrian facility (15+ miles of equestrian trail) | 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 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Boat docks/launches | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Excursion boat | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 |
| Trolley | 16 | 16 | 16 | 16 | 16 | 36 | 36 | 36 | 36 | 36 |
| Sportscore Sports Field complexes | 38.7 | 38.7 | 38.7 | 38.7 | 38.7 | 43.8 | 44 | 44 | 44 | 45 |
| Outdoor education center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Magic Waters - water theme park | 91 | 91 | 91 | 91 | 91 | 108 | 108 | 108 | 108 | 108 |
| Minor league baseball stadium | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Soccer/football stadium | 126 | 126 | 126 | 126 | 126 | 136 | 126 | 126 | 126 | 126 |
| Observatory | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| BMX Track | 90 | 90 | 88 | 88 | 88 | 87 | 87 | 87 | 73 | 65 |
| Dog parks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Volleyball - indoor | 4 | 4 | 4 | 4 | 4 | 16 | 16 | 16 | 16 | 16 |
| Volleyball - sand | 7 | 7 | 7 | 7 | 7 | 10 | 10 | 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