

2017



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR JANUARY 1-DECEMBER 31, 2017

PREPARED BY: FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER



ROCKFORD PARK DISTRICT

Rockford, Illinois

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2017

Prepared by:
Penny Christians, Chief Financial Officer

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ROCKFORD, ILLINOIS
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INTRODUCTORY SECTION

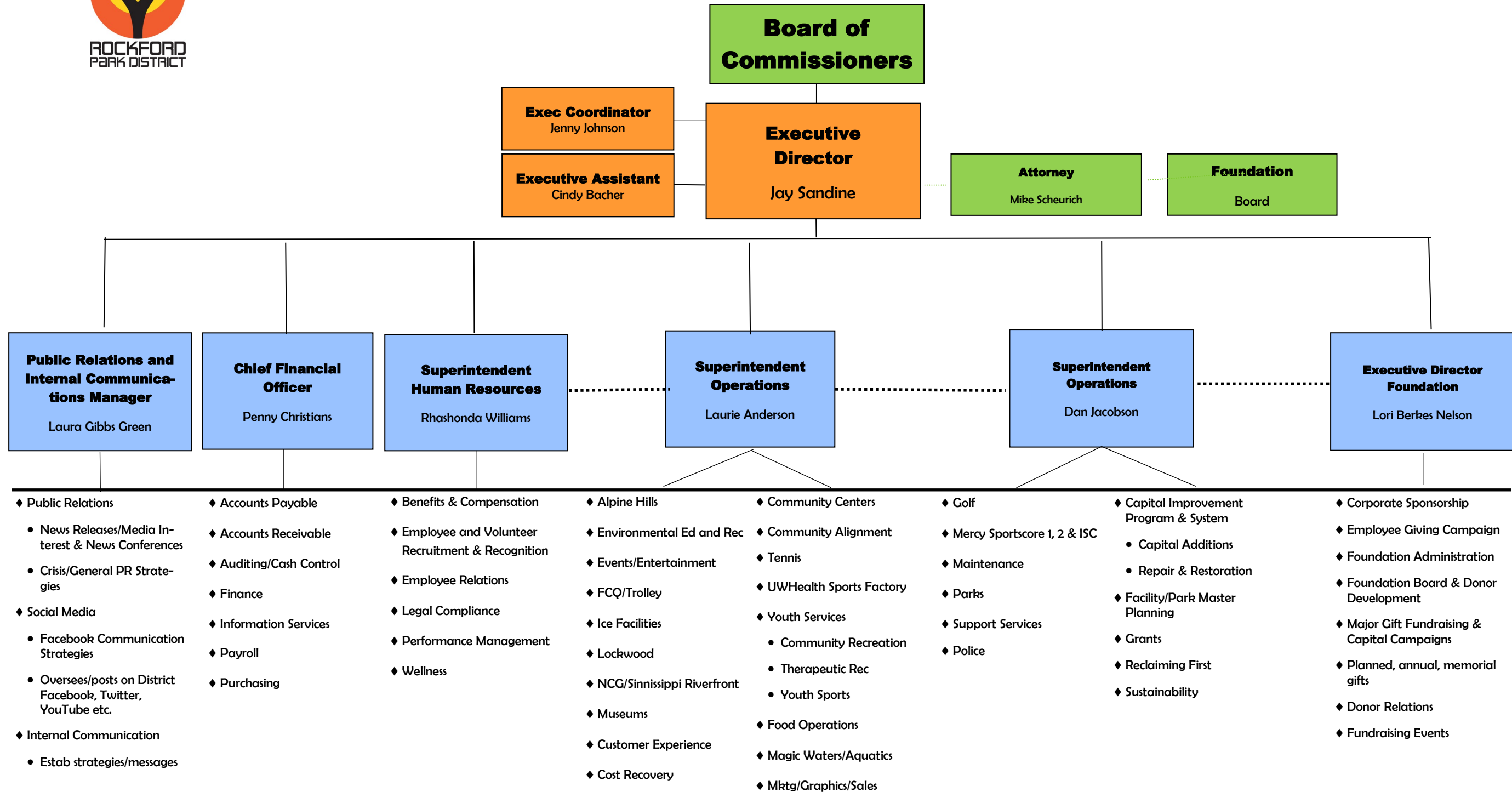
Officials and Officers
2017
Board of Commissioners

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

Jay Sandine – Executive Director
Penny Christians – Chief Financial Officer

Alignment for Achievement

CITIZENS





Government Finance Officers Association

**Certificate of
Achievement
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in Financial
Reporting**

Presented to

**Rockford Park District
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



ROCKFORD PARK DISTRICT

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

April 18, 2018

To: The Citizens of the Rockford Park District

The Comprehensive Annual Financial Report of the Rockford Park District (the District) for the year ended December 31, 2017, 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. 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, 2017. 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 that we have furnished in management's discussion and analysis, which can be found in the financial section of this report. In the financial section, all amounts are presented in whole dollars unless indicated otherwise.

Profile of the Government

The District is a separate, autonomous, special-purpose taxing district organized in 1909 to acquire, develop, and manage park, recreation, and conservation lands and facilities, for the health, well-being, and entertainment of citizens. Five elected officials comprising the Board of Commissioners govern the Park District. The District provides a wide range of services including parks, facilities and recreational opportunities, such as hockey facilities/programs, a hard court facility, soccer fields, golf courses, community centers, a water park, a conservatory, museums, and much more. There are opportunities for all citizens to enjoy the District's services in some aspect, as there is programming to address the needs and desires of children, adults, and persons of all ages with disabilities. The District provides safety and security at the parks and recreation facilities through the efforts of the Rockford Park District Police Department.

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401 South Main Street, 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

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The District maintains budgetary controls to ensure compliance with legal provisions embodied in the Annual Appropriated Budget approved by the District's Board of Commissioners. Activities of all District funds except the Working Cash Fund are included in the Annual Appropriated Budget. The Rockford Park District Foundation does prepare/approve an annual budget under the governance of the Rockford Park District Foundation Board of Directors even though they are not required to do so. 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 is 65 miles northwest of Chicago's O'Hare International Airport and 90 miles east of the Mississippi River and has great access to major road and rail systems. Rockford is part of the Rockford Metropolitan Statistical Area (MSA), which includes Boone, Ogle, and Winnebago Counties.

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

The employment outlook for the region improved slightly from the previous year. The Illinois Department of Employment Security reports the average unemployment rate in 2017 for the Rockford MSA remained relatively the same (6.8% in 2016 to 6.6% in 2017). The Rockford MSA unemployment rate is still above the average 2017 state unemployment rate of 4.9%. The largest employment sector is manufacturing, followed by trade, transportation, utilities and educational-health services.

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

The community continues to become increasingly diverse. The population has declined, and it is likely that any future population growth in the District will be largely that of minority groups. The population served by the District is aging, and the area is experiencing growth in non-traditional households. Education levels continue to trail the nation for bachelor's and professional degrees, creating a lack of access to professional workers in the area.

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 works on planning for long-term financial sustainability. This includes annual updates of the three-year financial forecast for operating and capital funds. The District is going through a comprehensive master planning process in 2018, which includes being very intentional in obtaining citizen input. This input will be utilized to create a five year plan for operations and facilities.

Additionally, the District continues to refine and expand the application of the cost recovery model originally developed in 2013. This model identifies the percent of each program's cost to be funded by support from taxes, if any, and patron fees for all programs offered throughout the District. This model has provided a basis for improved budgeting and financial analysis for developing adjusting existing programs, adding new programs or potentially eliminating programs. The District also puts significant efforts into seeking out alternative revenues, such as sponsorships, endowments, and naming rights.

Relevant Financial Policies

The District regularly reviews its financial policies to ensure compliance. A fund balance policy was established in 2011 to comply with required standards outlined in the Governmental Accounting Standards Board Statement 54. The Board's policy is to have a fund balance in the operating funds between 47.5 and 52.5 percent of the estimated tax collections for those funds for the coming year. The Park District is compliant with this policy.

Major Initiatives

“Reclaiming First” – In December, 2011 the Rockford Park District, along with the Rockford Area Convention and Visitors Bureau, released a report which was commissioned to outline a vision for “Retaining, Regaining, and Growing” the local sports tourism industry, while providing new recreational and sports opportunities for local citizens. Amateur sports are important to the regional economy, with \$15.25 million spent in the Rockford region each year with existing sporting events and tournaments. A comprehensive feasibility study led to this plan outlining the facility improvements and additions necessary to realize this vision. A joint effort by regional municipalities, along with state legislative members, passed legislation authorizing local implementation of a 2% hotel/motel tax to help fund the expansion of the sports complexes. The Winnebago County Regional Tourism Facility Board (WCRTFB) was established to govern the use of the tax funds, which was unanimously approved by municipalities representing 97.6% of county residents. WCRTFB member entities include the County of Winnebago, cities of Loves Park, Rockford, and South Beloit, villages of Cherry Valley, Machesney Park, Rockton, and Roscoe, Rockford Area Convention & Visitors Bureau, and Rockford Park District.

The Reclaiming First facilities developments are now completed:

Improvements at MercyHealth Sportscore Two – Six synthetic turf and lighted multipurpose fields have been added to the facility, as well as parking and concession and restroom facilities. With these additions, the campus now has 26 soccer fields overall. The District's Wedgbury Stadium was also upgraded with synthetic turf and new lighting. The fields can accommodate soccer, rugby, football, lacrosse, softball and baseball.

The new facilities provide the ability to attract national tournaments which have a great economic impact on the local economy.

The Indoor Sports Center existing structure at Mercyhealth Sportscore Two was expanded by a 133,000 square foot sports building adjacent to the current structure. The building houses one full sized soccer, football, lacrosse, or rugby field which can be divided into smaller fields. The connector building bridging the two structures has a lobby and restrooms. With these additions, the facility can host up to six simultaneous soccer games or two softball games.

The renovation projects at Mercyhealth Sportscore Two are being supported by pledges from local government bodies, the District, state grants and a portion of the 2% hotel tax revenues. The District has successfully closed three separate bond issues, which will be repaid by the above revenue sources.

New Facility: UW Health Sports Factory –The City of Rockford spearheaded the renovation of the Ingersoll building in downtown Rockford. The project was funded by the City, state grants, a contribution from the District and a portion of the hotel tax revenues. The Rockford Park District is operating the facility, which opened in June, 2016. The new multi-sport hard court facility is able to provide eight basketball, 16 volleyball, 16 wrestling, or 42 pickleball courts at one time. The District works cooperatively with the Rockford Chamber of Commerce to schedule events.

Multi Year Priority Projects

With projects related to the Reclaiming First Initiative being completed, the District is transitioning its focus to making significant improvements to the tree canopy and neighborhood playgrounds, as well as to increase funding available for the Help Me Play financial assistance fund and youth programs. The Rockford Park District Foundation plays a significant role in these efforts.

Tree Canopy

The Emerald Ash Borer has destroyed much of the District's tree canopy by leaving dead Ash trees behind. The removal of these trees has cost the District hundreds of thousands of dollars. The District plans to replant diverse species to avoid another instance of such widespread devastation. The Park District Foundation is fundraising with a goal to fund 200 trees annually for those parks which experienced significant loss.

Playgrounds

The District has about 64 playgrounds that are beyond their useful life (15 years) and need to be replaced. The playgrounds within the Rockford Park District are places where children grow physically and socially, and develop creativity and imagination. The Foundation is actively fundraising for this effort.

Youth

The Park District recognizes the youth in our community may not have the money needed to participate in its programs. It is also a well-known fact, that if we engage these youth in our programs, they are more likely to stay out of trouble and may actually even end up getting their first job with us. The Park District is one of the top “first job” employers in the area. At a time when the District must continue to face budget cuts, fundraising efforts are critical for these programs. The Foundation has an established fund called “Help Me Play” which provides financial assistance to youth, as well as providing funding for youth programming. This will be a priority for fundraising efforts.

Silent Sports

The plan for Atwood Park Silent Sports includes the development of 20 miles of purposeful and sustainable multi-use trails, as well as a trailhead. The unique topography of Atwood Park encompasses woodland, prairie, river, and marsh habitats, making it an ideal site for year-round outdoor pursuits. 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 some trails, and improves the trail system connectivity for all users. The District has 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. Currently, about 86% of the \$464,000 needed to complete phase one of the project has been raised. Phase one will include a 3.3 mile contour flow trail for hikers and bikers (intermediate), a 1.3 mile natural surface trail for hikers and bikers (beginner), and initial development of the trailhead and parking area.

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

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, 2016. This was the twenty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are

submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Rockford Park District received its eighth consecutive Popular Annual Financial Reporting Award for the fiscal year ended December 31, 2016. The award truly exemplifies the commitment of the Board of Commissioners and management to being truly transparent in providing financial information in an easy to understand format to the citizens.

The entire staff of the Financial Services Team of the Rockford Park District have contributed to the preparation of this report and I would like to express my 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 myself. Thank you for your interest and support of your Rockford Park District. It is a pleasure to serve you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Penny Christians", written over a large, light-colored oval shape.

Penny Christians
Chief Financial Officer

FINANCIAL SECTION

401 W. State Street, Suite 509
Rockford, IL 61101
815.282.6565

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Rockford Park District, Rockford, Illinois (the District), as of and for the year ended December 31, 2017, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Rockford Park District, Rockford, Illinois, as of December 31, 2017, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Sikich LLP

Rockford, Illinois
April 18, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

ROCKFORD PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Rockford Park District, we offer readers of the Park District's financial statements this narrative overview and analysis of the financial activities of the Rockford Park District for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information provided in the letter of transmittal in the Introductory Section of this report.

Financial Highlights

- The assets and deferred outflows of the District exceeded the liabilities and deferred inflows by approximately \$72,922,000 (net position) at December 31, 2017. Of this amount, approximately (\$10,480,000) is unrestricted. The negative amount is primarily a result of a \$12,000,000 contingent liability for estimated clean up costs resulting from an EPA claim as discussed in Note 14. Approximately \$67,077,000 of net position is net investment in capital assets.
- The District's long-term debt (including current portion) increased by a total of approximately \$5,934,000. This increase is due to:
 - an increase of \$6,625,231 in general obligation bond and debt certificate debt. The remaining \$4,129,056 of the Series 2016 bonds for Reclaiming First were drawn, and debt certificates in the amount of \$3,385,000 were issued for construction of a pavilion at Aldeen Golf Club. The remaining change was due to issuance and retirement of the District's annual general obligation bonds for capital improvements and retirement of certain alternate revenue bonds;
 - a decrease in the pledge due to the City of Rockford of \$150,000 related to the current installment paid in 2017;
 - an increase of \$98,408 in the liability calculated for Net Other Post-Employment Benefits;
 - an increase of \$41,780 in compensated absences due the adjustment required for unpaid benefit time accrued;
 - a decrease in premiums/discounts on bonds payable of \$10,045 as a result of amortization
 - a decrease of \$612,177 in the District's net pension liability
 - and the net decrease of \$58,746 for capital lease activity resulting from payments made in 2017.

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

- The District invested approximately \$10,590,000 in capital assets in 2017. This particularly large amount is due to investments into the Reclaiming First capital projects. Depreciation expense on the District's governmental capital assets totaled approximately \$5,410,142 for the year ended December 31, 2017.
- As of December 31, 2017, the District's governmental funds reported combined ending fund balances of \$16,385,000, an increase of \$1,762,000 from the prior year combined ending fund balances. The increase is mainly due to bond proceeds not yet spent. Approximately \$4,159,000 is Unrestricted and *available for spending* at the District's discretion. Included in this amount is \$832,162 which is currently *Assigned* by management for specified uses within various funds.

Overview of the Financial Statements

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

ROCKFORD PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

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

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

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

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

ROCKFORD PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Fiduciary Funds – The District maintains one fiduciary fund, which is classified as an Agency Fund. The fund is used to account for all activity for the Winnebago County Regional Facility Tourism 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 statement for this fund is the Statement of Fiduciary Net Position and appears on page 16 of this report.

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

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

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 and 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, 2017.

2017 Financial Analysis of the District as a Whole

Net Position: The District's total net position for the primary government was lower on 12/31/2017 than the net position at 12/31/2016, decreasing to approximately \$72,922,000. The following provides a summary of the District's net position as of December 31, 2017 and 2016.

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

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Current assets	\$ 62,015,604	\$ 62,195,530	\$ (179,926)	-0.3%
Capital assets	112,111,272	107,252,618	4,858,654	4.5%
Total assets	<u>174,126,876</u>	<u>169,448,148</u>	<u>4,678,728</u>	<u>2.8%</u>
Deferred outflows of resources				
	<u>5,394,545</u>	<u>6,448,065</u>	<u>(1,053,520)</u>	-
Liabilities				
Current liabilities	12,878,076	14,289,572	(1,411,496)	-9.9%
Long-term obligations, less current portion	69,166,650	63,232,199	5,934,451	9.4%
Total liabilities	<u>82,044,726</u>	<u>77,521,771</u>	<u>4,522,955</u>	<u>5.8%</u>
Deferred inflows of resources				
	<u>24,554,831</u>	<u>24,022,013</u>	<u>532,818</u>	<u>2.2%</u>
Net position				
Net investment in capital assets	67,076,660	66,751,016	325,644	0.5%
Restricted	16,324,786	16,380,920	(56,134)	-0.3%
Unrestricted	(10,479,582)	(8,779,507)	(1,700,075)	19.4%
Total net position	<u>\$ 72,921,864</u>	<u>\$ 74,352,429</u>	<u>\$ (1,430,565)</u>	<u>-1.9%</u>

The District experienced a decrease in total net position of approximately \$1,430,565 during 2017. The change in net position is attributable to several factors as follows:

Assets and Deferred Outflows

- Cash and Investments increased by \$3,836,346 from the previous year mainly due to proceeds from debt certificates issued in 2017 for construction of a Pavilion at Aldeen Golf Club.
- Receivables:
 - Property taxes receivable increased by \$188,858 due mainly to an increase in the amount of property taxes needed for bond principal and interest payments due in 2018, as well as an amount received in January, 2018 for the 2016 property tax levy.
 - Accounts Receivables decreased by \$3,094,757 mainly due to receipt of payments for grant receivables.
 - Accrued interest receivable increased by \$3,298 due to higher cash and investment balances and improved rates of return.
 - Other Government receivables decreased by \$533,000 mainly due to the receipt of pledge payments for Reclaiming First
 - Component Unit (Rockford Park District Foundation) decreased by \$100,000 due to the principal payment for the Series 2011A Bonds issue, which are bonds backed by donor pledges to the Foundation.
 - Naming Rights receivables decreased by \$381,937 due to receipt of annual payments.
- Capital assets not being depreciated had a net decrease of \$13,391,784 mainly due to projects related to Reclaiming First being completed and moved out of Construction in Progress. Those assets are now being depreciated.
- Capital assets, net of accumulated depreciation, increased \$18,250,438 in 2017. The increase was primarily due to new assets related to Reclaiming First, offset by 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 decreased due to the deferring of the entire employer contribution made to IMRF in calendar year 2017.

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

Liabilities and Deferred Inflows

- Accounts Payable was \$1,249,992 lower due to lower construction invoices at 12/31/2017.
- The amount of \$149,732 due to other governments is the balance of the liability recognized due to the previous multiple year overpayments of Replacement Tax by the State of Illinois. The total liability of \$299,463 was first reflected in the 2015 audited financials. In 2017, the District was notified by the state that they would not be specifically recouping these dollars, but the District would experience reductions in future payments. Final guidance provides for recognition of 50% of this liability as revenue in 2017 and 50% in 2018.
- Unearned Revenue was \$274,828 lower mainly due to receipt of payment on naming rights contracts.
- Claims payables were \$244,670 higher than 2016 mainly due to accrued health insurance claims being higher in 2017.
- Non Current liabilities were higher by \$5,934,451 as explained on page MD&A 1.
- Deferred Inflows were higher than 2016 by \$532,818 due to the change in pension-related inflows and higher property tax inflows.

The following provides a summary of the District's changes in net position for the year ended December 31, 2017:

	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues		
Charges for services	\$ 10,531,919	\$ 10,698,980
Operating grants and contributions	1,592,625	1,417,125
Capital grants and contributions	2,506,510	2,469,758
General revenues		
Property taxes	23,678,883	23,613,467
Replacement taxes	2,585,949	2,306,928
Investment income	134,838	55,986
Miscellaneous	395,242	699,305
Gain on sale of capital assets	-	14,875
Total revenues	<u>41,425,966</u>	<u>41,276,424</u>
Expenses		
Park operations	6,619,566	6,807,504
Recreation operations		
Facilities	18,103,592	16,807,626
Programs	4,780,861	4,306,988
Therapeutic operations	1,184,306	931,776
Museum operations	1,616,431	1,605,201
Police protection	1,601,164	1,533,013
Administration	7,484,737	7,893,541
Interest and fiscal charges	1,465,874	1,612,460
Total expenses	<u>42,856,531</u>	<u>41,498,109</u>
Change in net position	<u>(1,430,565)</u>	<u>(221,685)</u>
Net Position, January 1	<u>74,352,429</u>	<u>74,574,114</u>
Net Position, December 31	<u>72,921,864</u>	<u>74,352,429</u>

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

Analysis 2017 Statement of Activities and Governmental Activities:

Revenues

The District's total revenues were \$41,425,966 for governmental activities in 2017, an overall increase of \$149,542 or .4%, from 2016. The net increase in revenue is primarily due to increases in Replacement Taxes and Operating Grants and Contributions.

Charges for Services decreased by \$167,601 from 2016 mainly due to the extremely poor weather experienced in the spring and summer. Poor weather forced Magic Waters Theme Park to close early 10 days and not open at all for 6 days during the season.

Operating Grants and Contributions increased in 2017 mainly due to increased support from the District's Foundation and after-school program grants. Capital Grants and contributions were only slightly higher in 2017.

The District's property tax revenue increased mainly due to the bond levy. Replacement Taxes increased \$279,021. Approximately \$150,000 of the increased Replacement Taxes was due to the recognition of half of the liability related to previous overpayments from the State recorded in fiscal year 2015. In 2017, the District was notified by the state that they would not be recouping these specific dollars, but we would instead experience reductions in future payments. Final guidance provides for recognition of 50% of this liability as revenue in 2017 and 50% in 2018.

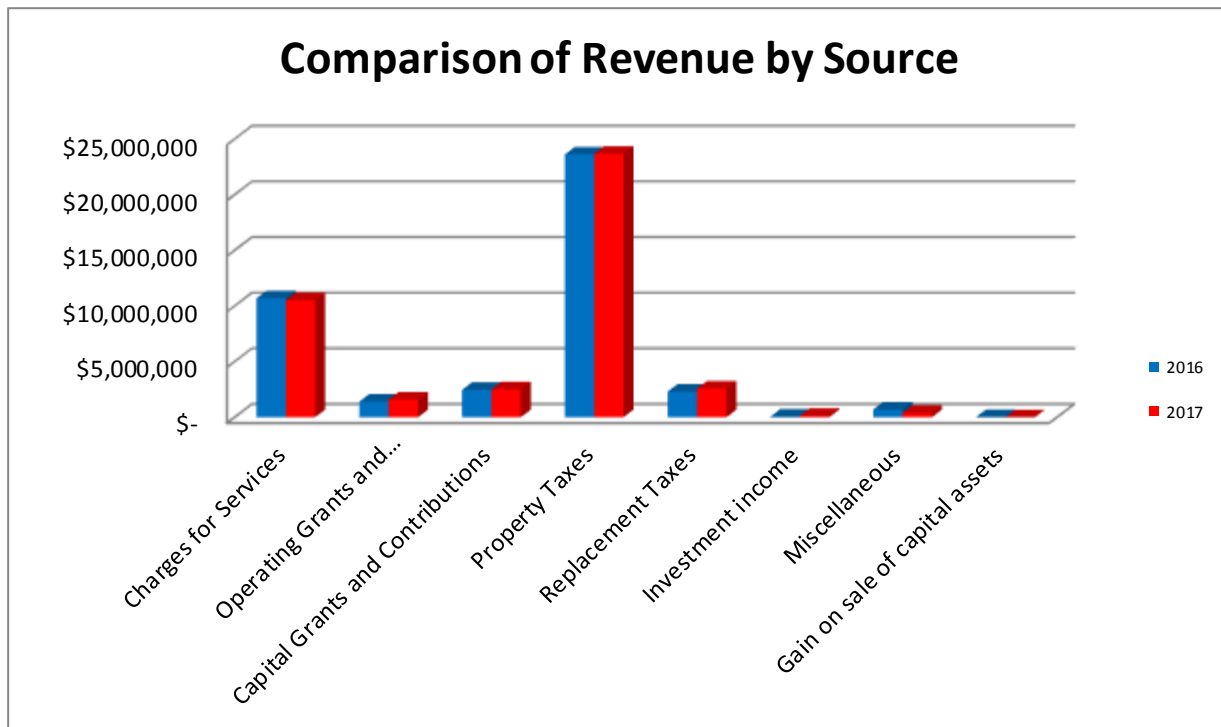
Investment income increased due to slightly better rates, as well as increased cash on hand from bond proceeds.

The decrease in miscellaneous revenue is mainly due to a one time receipt in 2016 in the Capital Projects fund.

A comparative of revenue by source for 2017 and 2016 is shown below in a table and graphic illustration:

Revenue Source	<u>2017</u>		<u>2016</u>		Dollar Change	% Change
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>		
Charges for Services	\$ 10,531,919	25.4%	\$ 10,698,980	25.9%	\$ (167,061)	-1.6%
Operating Grants and Contributions	1,592,625	3.8%	1,417,125	3.4%	175,500	12.4%
Capital Grants and Contributions	2,506,510	6.1%	2,469,758	6.0%	36,752	1.5%
Property Taxes	23,678,883	57.2%	23,613,467	57.2%	65,416	0.3%
Replacement Taxes	2,585,949	6.2%	2,306,928	5.6%	279,021	12.1%
Investment income	134,838	0.3%	55,986	0.1%	78,852	140.8%
Miscellaneous	395,242	1.0%	699,305	1.7%	(304,063)	-43.5%
Gain on sale of capital assets	-	0.0%	14,875	0.0%	(14,875)	100.0%
Total	<u>\$41,425,966</u>	100.0%	<u>\$41,276,424</u>	100.0%	<u>149,542</u>	0.4%

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



Expenses

The total cost of all governmental programs and services was \$42,856,531 for the year ended December 31, 2017. This is an increase in total costs from 2016 of \$1,358,422 or 3%.

The following chart represents the total increase attributable to the 2016 restatement of pension related items which resulted from the implementation of GASB Statement No 71. The effect of this implementation in 2016 was a reduction to expenses in 2016 of \$684,513. In 2017, the required adjustments were \$849,791, creating an increase of \$1,534,304.

	Change in Pension Related Items from 2016
Park Operations	\$ 220,779
Recreation Operations:	
Facilities	\$ 436,961
Programs	\$ 428,278
TR	\$ 153,617
Police Protection	\$ 119,622
Administration	\$ 175,047
Total Increase	\$ 1,534,304

In addition to the increase due to pension related items, the following list includes highlights of other notable changes:

Park Operations experienced savings in 2017 due to lower utility and health insurance costs, as well as lower snow removal costs due to the lack of snowfall in the winter season. These savings were offset by increases due to capital allocated from the Capital Projects fund.

Facilities' expenses increased mainly due to a full year of operating the new UW Health Sports Factory, which opened in June 2016. Expenses were lower due to less capital purchase in 2017 and depreciation was significantly higher in 2017 (\$874,000) because of the completion of several construction projects related to Reclaiming First.

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

Program expenses were higher specifically due to staff costs resulting from increased program grants.

Therapeutic Recreation was higher in 2017 primarily due to increased capital allocated from the Capital Projects fund.

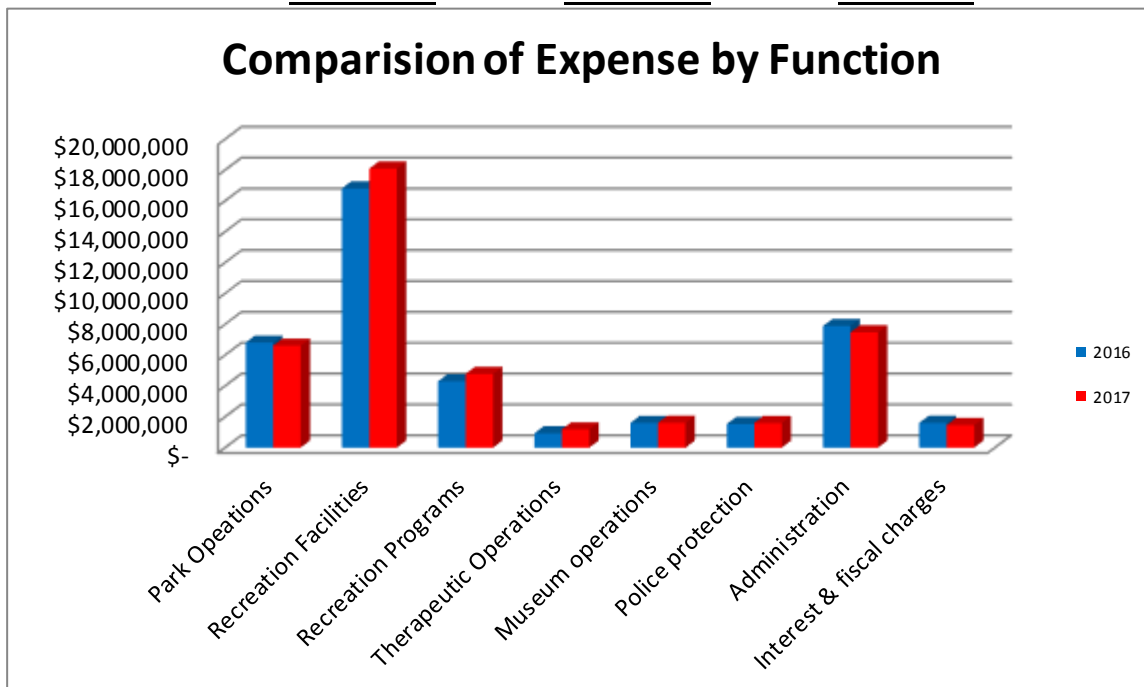
Museum expenses were higher mainly due to slightly higher revenues available from property taxes due to increasing equalized assessed value.

Administration experienced a significant decrease in expense due to a few positions eliminated by attrition, as well as a loss on a one-time expense in 2016 related to a capital asset disposal.

Interest and fiscal charges decreased in 2017 mainly due to the higher premium amortization (negative expense) for the District's annual general obligation bonds issued for capital improvements.

A comparison of expenses by function for 2017 and 2016 is shown below in a table and graphic illustration:

<u>Operations</u>	<u>2017</u>		<u>2016</u>		<u>Dollar Change</u>	<u>Percent Change</u>
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>		
Park	6,619,566	15%	6,807,504	16%	(187,938)	-3%
Recreation Operations						
Facilities	18,103,592	42%	16,807,626	39%	1,295,966	8%
Programs	4,780,861	7%	4,306,988	7%	473,873	11%
Therapeutic	1,184,306	3%	931,776	2%	252,530	27%
Museum	1,616,431	4%	1,605,201	4%	11,230	1%
Police	1,601,164	4%	1,533,013	4%	68,151	4%
Administration	7,484,737	17%	7,893,541	18%	(408,804)	-5%
Interest and fiscal charges	1,465,874	3%	1,612,460	4%	(146,586)	-9%
Total	42,856,531	100%	41,498,109	100%	1,358,422	3%



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

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

	Total Cost of Services 2017	Net Cost of Services 2017
Park operations	\$ 6,619,566	\$ 6,549,624
Recreation operations		
Facilities	18,103,592	5,156,271
Programs	4,780,861	3,483,271
Therapeutic operations	1,184,306	1,105,713
Museum operations	1,616,431	1,616,431
Police protection	1,601,164	1,579,751
Administration	7,484,737	7,268,542
Interest on debt	1,465,874	1,465,874
	\$ 42,856,531	\$ 28,225,477

The cost of all governmental activities this year was approximately \$42,857,000. Individuals who directly participated or benefited from a program offering, as well as operating and capital grants/contributions paid for approximately \$14,631,000 of the costs. The remaining "net cost of services" was financed primarily by District taxpayers through property taxes, as well as corporate personal property replacement taxes totaling approximately \$26,265,000. 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 \$16,384,680, a \$1,762,271 increase from the prior year. A significant portion of this is due to bond proceeds in the capital projects fund, not yet spent. A total of \$3,415,659, or 21%, is *unrestricted* fund balance within the general fund. The amount of unassigned fund balance is a measure of the general fund's liquidity. The unrestricted and unassigned fund balance in the general fund of \$3,415,659 represents approximately 37.7% of total general fund expenditures. The recreation fund has a negative *unassigned* fund balance of (\$88,986). The remaining total fund balance consists of \$164,858 – *nonspendable* (not in spendable form), \$12,060,987 – *restricted* (legally required to spend for a specific purpose) and \$832,162 – *assigned* (management has assigned a particular purpose).

General Fund Budgetary Highlights

The District's original budget for the general fund was a balanced budget and did not anticipate any change to fund balance. The actual results for the year showed an increase of \$169,570 versus the amended final budget of \$125,877, increasing the general fund's ending fund balance to \$3,478,181. The increase was primarily due to significant savings in the District's health insurance costs.

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

Capital Assets and Debt Administration

Capital assets: At the end of 2017, the District had invested approximately \$198,663,767 (**not** net of accumulated depreciation) in a broad range of capital assets.

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

- Improvements at Sabrooke Park and Levings Lake
- Addition of a tot playground at Sinnissippi riverfront
- Aqua Loop and tot area at Magic Waters Theme Park
- Completion of the building addition at Mercyhealth Sportscore Two
- Sound and lighting improvements at the Sinnissippi Park Music Shell
- Several fleet vehicle and turf equipment replacements
- Construction costs for a pavilion at Aldeen Golf Club (work in progress)

Total depreciation expense for the year was \$5,410,142, while the net change from acquisitions and disposals was \$10,268,796. The following table shows the change in the District's capital assets, net of depreciation:

	2017	2016	Change
Construction in progress	\$ 4,666,187	\$ 18,011,764	(13,345,577)
Land	\$ 22,732,477	\$ 22,778,684	(46,207)
Land improvements	\$ 23,457,405	\$ 23,290,167	167,238
Vehicles	\$ 751,037	\$ 679,707	71,330
Infrastructure	\$ 4,558,065	\$ 4,937,240	(379,175)
Intangible assets	\$ 59,080	\$ 85,112	(26,032)
Fine Art	\$ 1,143,101	\$ 249,861	893,240
Administrative equipment	\$ 286,021	\$ 260,155	25,866
Recreation equipment and structures	\$ 12,347,160	\$ 8,916,121	3,431,039
Buildings and improvements	\$ 42,110,739	\$ 28,043,807	14,066,932
	<u>\$112,111,272</u>	<u>\$107,252,618</u>	<u>\$ 4,858,654</u>

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

Long-term obligations: At December 31, 2017, the District had \$44,868,174 outstanding in general obligation bonds and debt certificates, an increase of \$6,625,231 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.

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

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

	2017	2016	Net Change
General obligation bonds	\$41,483,174	\$ 38,242,943	\$ 3,240,231
Premium on bonds payable, net of amortization	65,344	76,645	(11,301)
Discount on bonds payable, net of accretion	(10,048)	(11,304)	1,256
General obligation debt certificates	3,385,000	-	3,385,000
Capital lease obligation	150,751	209,497	(58,746)
Note payable - City of Rockford	3,300,000	3,450,000	(150,000)
Net Pension Liability	5,746,953	6,359,130	(612,177)
Net other post employment benefit	2,194,236	2,095,828	98,408
Compensated absences	851,240	809,460	41,780
Contingent liabilities	12,000,000	12,000,000	-
	<u>\$69,166,650</u>	<u>\$ 63,232,199</u>	<u>\$ 5,934,451</u>

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

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was unaware of any adverse existing circumstances that could significantly affect its financial health in the future, other than the contingent liability which exists for the District relating to the Illinois Environmental Protection Agency's proceedings against the District as owner of Sand Park. In response to these proceedings, it is likely that the District will be required to spend between \$9,000,000 and \$10,000,000 in clean-up costs over the next four years. A contingent liability has been recorded for this expected liability and additional information relating to this contingency is presented in Note 14 to the financial statements.

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, 2017

	Primary	Component
	Government	Unit
	Governmental	Rockford
	Activities	Park District
		Foundation
ASSETS		
Cash	\$ 980,672	\$ 546,964
Investments	18,658,499	5,191,334
Receivables (net, where applicable, of allowances for uncollectibles)		
Property taxes	23,801,007	-
Accounts	1,392,322	89
Accrued interest	5,933	7,840
Other governments	8,241,020	-
Component unit	565,000	-
Naming rights	8,227,343	-
Pledges and contributions	-	1,811,952
Notes receivable	-	11,238
Prepaid expenses	7,350	-
Inventory	136,458	-
Land held for future donation	-	992,520
Other real estate	-	40,756
Capital assets not being depreciated	27,398,664	448,220
Capital assets being depreciated net of accumulated depreciation	84,712,608	-
Total assets	174,126,876	9,050,913
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized charge on refunding	73,723	-
Pension items - IMRF	5,320,822	-
Total deferred outflows of resources	5,394,545	-
Total assets and deferred outflows of resources	179,521,421	9,050,913
LIABILITIES		
Accounts payable	2,394,183	229,727
Accrued payroll	658,449	-
Due to other governments	149,731	-
Unearned revenue	8,796,348	-
Claims payable	786,365	-
Accrued interest payable	93,000	-
Other liabilities	-	2,933
Noncurrent liabilities		
Due within one year	8,274,477	-
Due in more than one year	60,892,173	565,000
Total liabilities	82,044,726	797,660

(This statement is continued on the following page.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2017

	Primary Government Governmental Activities	Component Unit Rockford Park District Foundation
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	\$ 823,983	\$ -
Deferred revenue - property taxes	23,730,848	-
Total deferred inflows of resources	24,554,831	-
Total liabilities and deferred inflows of resources	106,599,557	797,660
NET POSITION		
Net investment in capital assets	67,076,660	448,220
Restricted for		
Museum operations	573,617	-
Police protection	6,221	-
Employee benefits	915,611	-
Audit	60,196	-
Working cash	711,832	-
Special recreation	1,509,882	-
Debt service	923,733	-
Liability insurance	1,448,758	-
Capital projects	2,024,936	-
Reclaiming First	8,150,000	-
Park district purposes	-	1,299,709
Temporarily restricted	-	5,218,804
Permanently restricted	-	1,286,520
Unrestricted (deficit)	(10,479,582)	-
TOTAL NET POSITION	\$ 72,921,864	\$ 8,253,253

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

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	Component
					Governmental	Unit
				Governmental	Rockford Park District Foundation	
				Activities		
PRIMARY GOVERNMENT						
Governmental Activities						
Park operations	\$ 6,619,566	\$ 69,942	\$ -	\$ -	\$ (6,549,624)	\$ -
Recreation operations						
Facilities	18,103,592	9,717,777	723,034	2,506,510	(5,156,271)	-
Programs	4,780,861	459,299	838,291	-	(3,483,271)	-
Therapeutic operations	1,184,306	47,462	31,131	-	(1,105,713)	-
Museum operations	1,616,431	-	-	-	(1,616,431)	-
Police protection	1,601,164	21,244	169	-	(1,579,751)	-
Administration	7,484,737	216,195	-	-	(7,268,542)	-
Interest and fiscal charges	1,465,874	-	-	-	(1,465,874)	-
Total governmental activities	42,856,531	10,531,919	1,592,625	2,506,510	(28,225,477)	-
TOTAL PRIMARY GOVERNMENT	\$ 42,856,531	\$ 10,531,919	\$ 1,592,625	\$ 2,506,510	(28,225,477)	-
COMPONENT UNIT						
Rockford Park District Foundation	\$ 1,829,960	\$ 25,292	\$ 2,872,477	\$ 36,274	-	1,104,083
General Revenues						
Taxes						
Property						
Replacement						
Investment income						
Miscellaneous						
Total						
CHANGE IN NET POSITION					(1,430,565)	1,451,244
NET POSITION, JANUARY 1					74,352,429	6,802,009
NET POSITION, DECEMBER 31					\$ 72,921,864	\$ 8,253,253

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2017

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 189,235	\$ 35,725	\$ 16,811	\$ 400,084	\$ 292,768	\$ 934,623
Investments	3,839,456	174,853	325,768	7,752,813	5,673,272	17,766,162
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	6,295,213	6,314,316	5,590,047	-	5,601,431	23,801,007
Accounts	8,645	546,589	-	579,355	-	1,134,589
Accrued interest	1,221	56	104	2,465	1,803	5,649
Other governments	21,050	-	-	8,219,970	-	8,241,020
Component unit	-	-	-	565,000	-	565,000
Naming rights	-	8,227,343	-	-	-	8,227,343
Prepaid expenditures	-	3,827	-	803	2,720	7,350
Inventory	41,472	94,986	-	-	-	136,458
 Total assets	 \$ 10,396,292	 \$ 15,397,695	 \$ 5,932,730	 \$ 17,520,490	 \$ 11,571,994	 \$ 60,819,201

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 171,538	\$ 260,258	\$ 159	\$ 1,694,765	\$ 267,463	\$ 2,394,183
Accrued payroll	447,932	2,628	-	-	207,889	658,449
Due to other governments	18,284	51,804	-	-	79,643	149,731
Unearned revenue	3,912	8,777,490	-	-	4,908	8,786,310
Total liabilities	641,666	9,092,180	159	1,694,765	559,903	11,988,673
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	6,276,445	6,295,688	5,573,838	8,715,000	5,584,877	32,445,848
Total deferred inflows of resources	6,276,445	6,295,688	5,573,838	8,715,000	5,584,877	32,445,848
Total liabilities and deferred inflows of resources	6,918,111	15,387,868	5,573,997	10,409,765	6,144,780	44,434,521
FUND BALANCES						
Nonspendable in form - inventory	41,472	94,986	-	-	-	136,458
Nonspendable in form - prepaid items	-	3,827	-	803	2,720	7,350
Nonspendable in form - long-term receivables	21,050	-	-	-	-	21,050
Restricted for museum operations	-	-	-	-	573,617	573,617
Restricted for police protection	-	-	-	-	6,221	6,221
Restricted for employee benefits	-	-	-	-	915,611	915,611
Restricted for audit	-	-	-	-	60,196	60,196
Restricted for working cash	-	-	-	-	711,832	711,832
Restricted for special recreation	-	-	-	-	1,509,882	1,509,882
Restricted for debt service	-	-	358,733	-	-	358,733
Restricted for liability insurance	-	-	-	-	1,448,758	1,448,758
Restricted for capital projects	-	-	-	6,476,137	-	6,476,137
Unrestricted						
Assigned for museum operations	-	-	-	-	5,623	5,623
Assigned for police protection	-	-	-	-	170,266	170,266
Assigned for special recreation	-	-	-	-	21,710	21,710
Assigned for audit	-	-	-	-	778	778
Assigned for capital projects	-	-	-	633,785	-	633,785
Unassigned	3,415,659	(88,986)	-	-	-	3,326,673
Total fund balances	3,478,181	9,827	358,733	7,110,725	5,427,214	16,384,680
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 10,396,292	\$ 15,397,695	\$ 5,932,730	\$ 17,520,490	\$ 11,571,994	\$ 60,819,201

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, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 16,384,680
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	112,111,272
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	5,320,822
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	(823,983)
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	(44,868,174)
Notes payable	(3,300,000)
Contingent liabilities	(12,000,000)
Unamortized premium on issuance	(65,344)
Unamortized discount on issuance	10,048
Loss on refunding	73,723
Capital lease obligations	(150,751)
Accrued compensated absences	(851,240)
Accrued net other postemployment benefit obligation	(2,194,236)
Accrued interest payable on long-term liabilities are reported as a liability on the statement of net position	(93,000)
Certain unavailable revenues related to long-term receivables on the fund financial statements are considered earned and on the statement of activities	8,715,000
Net pension liabilities for IMRF is shown as liability on the statement of net position	<u>(5,746,953)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 72,921,864</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, 2017

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 6,335,504	\$ 6,288,301	\$ 5,468,102	\$ -	\$ 5,586,975	\$ 23,678,882
Other taxes	310,630	880,118	-	-	1,395,201	2,585,949
Intergovernmental	-	787,600	-	2,767,308	169	3,555,077
Local donations	-	-	-	474,930	-	474,930
Fees and admissions	287,683	10,122,098	-	53,208	65,611	10,528,600
Investment income	26,609	2,021	24,427	33,583	48,198	134,838
Miscellaneous income	103,530	788,735	-	146,393	49,032	1,087,690
Total revenues	7,063,956	18,868,873	5,492,529	3,475,422	7,145,186	42,045,966
EXPENDITURES						
Current						
Park operations	3,810,167	-	-	1,208,088	468,935	5,487,190
Recreation operations						
Facilities	-	12,256,048	-	1,616,372	1,546,758	15,419,178
Programs	-	3,825,491	-	-	571,559	4,397,050
Therapeutic operations	-	-	-	121,646	917,637	1,039,283
Museum operations	-	-	-	138,215	973,023	1,111,238
Police protection	-	-	-	-	1,472,914	1,472,914
Administration	5,259,439	-	-	1,275,760	656,379	7,191,578
Capital outlay	-	-	-	9,261,841	-	9,261,841
Debt service						
Principal retirement	-	-	5,285,000	1,132,571	-	6,417,571
Interest and fiscal charges	-	-	235,079	1,422,453	-	1,657,532
Total expenditures	9,069,606	16,081,539	5,520,079	16,176,946	6,607,205	53,455,375
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,005,650)	2,787,334	(27,550)	(12,701,524)	537,981	(11,409,409)

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 2,441,392	\$ 424,529	\$ -	\$ 1,552,678	\$ 58,005	\$ 4,476,604
Transfers (out)	(266,172)	(3,243,022)	-	(400,000)	(567,410)	(4,476,604)
Issuance of bonds	-	-	-	12,834,056	-	12,834,056
Premium on bond issuance	-	-	-	216,684	-	216,684
Insurance proceeds	-	-	-	96,065	-	96,065
Proceeds from the sale of capital assets	-	-	-	24,875	-	24,875
Total other financing sources (uses)	2,175,220	(2,818,493)	-	14,324,358	(509,405)	13,171,680
NET CHANGE IN FUND BALANCES	169,570	(31,159)	(27,550)	1,622,834	28,576	1,762,271
FUND BALANCES, JANUARY 1	3,308,611	40,986	386,283	5,487,891	5,398,638	14,622,409
FUND BALANCES, DECEMBER 31	\$ 3,478,181	\$ 9,827	\$ 358,733	\$ 7,110,725	\$ 5,427,214	\$ 16,384,680

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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,762,271
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	9,411,141
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	(5,410,142)
Contributions of capital assets are not a current financial resource of governmental funds	1,178,825
Sales and disposals of capital assets are reported as proceeds from the sale of capital assets in governmental funds but as loss from sale or disposal on the statement of activities	(321,170)
Certain revenues are reported as unavailable in the fund financial statements but are accrued and considered revenue on the statement of activities	(620,000)
The change in the Illinois Municipal Retirement Fund net pension liability is not a source of use of a financial resource	612,177
The change in deferred outflows of resources for IMRF is reported only in the statement of activities	(1,047,849)
The change in deferred inflows of resources for IMRF is reported only in the statement of activities	(414,119)
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	6,208,825
Note payable	150,000
Capital lease	58,746
The amortizations of premiums, discounts, and loss on refundings is reported as interest expense on the statement of activities	
Current year premium on bond issuance	(216,684)
Amortization of premium on bonds	227,985
Amortization of discount on bonds	(1,256)
Loss on refunding	(5,671)
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	(12,834,056)
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	(29,400)
The change in compensated absences liability is reported as an expense on the statement of activities	(41,780)
The change in the net other postemployment obligation liability is reported as an expense on the statement of activities	(98,408)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (1,430,565)

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**STATEMENT OF NET POSITION
PROPRIETARY FUND**

December 31, 2017

	Governmental Activities <u>Internal Service Fund</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 46,049
Investments	892,337
Accounts receivable	257,733
Interest receivable	<u>284</u>
Total current assets	<u>1,196,403</u>
CURRENT LIABILITIES	
Unearned revenue	10,038
Claims payable	<u>786,365</u>
Total current liabilities	<u>796,403</u>
NET POSITION	
Unrestricted	<u>400,000</u>
TOTAL NET POSITION	<u><u>\$ 400,000</u></u>

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, 2017

	Governmental Activities <u>Internal Service Fund</u>
OPERATING REVENUES	
Premiums	
Employee contributions	\$ 724,749
Employer contributions	2,247,246
Retiree contributions	<u>211,440</u>
Total operating revenues	<u>3,183,435</u>
OPERATING EXPENSES	
Health and life insurance premiums	641,015
Claims incurred	2,321,223
Administrative services	<u>230,552</u>
Total operating expenses	<u>3,192,790</u>
OPERATING INCOME (LOSS)	<u>(9,355)</u>
NON-OPERATING REVENUE	
Investment income	<u>9,355</u>
Total non-operating revenue	<u>9,355</u>
CHANGE IN NET POSITION	-
NET POSITION, JANUARY 1	<u>400,000</u>
NET POSITION, DECEMBER 31	<u><u>\$ 400,000</u></u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended December 31, 2017

	Governmental Activities
	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employees	\$ 725,447
Receipts from employer	2,247,160
Receipts from retirees	211,440
Payments to vendors	(3,129,928)
Net cash from operating activities	54,119
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
Net cash from noncapital financing activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
None	-
Net cash from capital and related financing activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	9,218
Purchase of investments	(892,337)
Proceeds from sale of investments	827,375
Net cash from investing activities	(55,744)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,625)
CASH AND CASH EQUIVALENTS, JANUARY 1	47,674
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 46,049
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (9,355)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Changes in assets and liabilities	
Accounts receivable	(181,894)
Claims payable	244,670
Unearned revenue	698
NET CASH FROM OPERATING ACTIVITIES	\$ 54,119

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2017

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 25,000
Investments	1,164,890
Other receivables	<u>148,028</u>
TOTAL ASSETS	<u><u>\$ 1,337,918</u></u>
LIABILITIES	
Accounts payable	\$ 30,000
Due to others	<u>1,307,918</u>
TOTAL LIABILITIES	<u><u>\$ 1,337,918</u></u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 Board of five 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 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 Rockford Park 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 assets held on behalf of outside parties, including other governments. The District's fiduciary funds consist of an agency fund which is used to account for assets that the District holds on behalf of WCRTFB as their agent.

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.

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

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

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

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

The District reports unavailable/deferred/unearned revenue on its financial statements. Unavailable/deferred/unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period for

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)

governmental funds or earned at the government-wide level. Deferred/unearned revenue also arise when resources are received by the District before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the District has a legal claim to the resources by meeting all eligibility requirements, the liability for unavailable/deferred/unearned revenue is removed from the financial statements and revenue is recognized.

The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

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, 2017, 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 2017 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 applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

i. Inventories and Prepaid Expenditures

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Inventories and Prepaid Expenditures (Continued)

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

j. Compensated Absences

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

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

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

k. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. The unamortized loss on bond refunding is reported as deferred charges, a deferred outflow of resources and amortized over the term of the related debt. Bond issuance costs are expensed in the year of issuance.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Net Position/Fund Balances

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

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

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

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

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

m. Interfund Transactions

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Interfund Receivables/Payables

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

o. Deferred Outflows/Inflows of Resources

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

p. Use of Estimates

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

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, 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

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

2. CASH AND INVESTMENTS

a. Permitted Deposits and Investments (Continued)

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; Illinois Funds (a money market fund created by the state legislature under the control of the State Treasurer that maintains a \$1 share value), Illinois Park District Liquid Asset Fund (a money market fund created by the state legislature under the control of the State Treasurer that maintains a \$1 share value); 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. Investments in Illinois Funds and the Illinois Park District Liquid Asset Fund are valued at their respective share prices, the price for which the investments could be sold.

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.

b. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District’s deposits may not be returned to it. The District’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance at 102% of the balance with the collateral held by a third party in the name of the District or collateral pledged by a single institution collateral pool which is monitored by a third party and with the collateral pledged being securities which are allowable investments under the District’s investment policy. The District’s deposits with financial institutions were covered by FDIC insurance collateral in the name of the District or a letter of credit at December 31, 2017. 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.

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

2. CASH AND INVESTMENTS (Continued)

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. Illinois Funds and the Illinois Park District Liquid Asset Fund 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. 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. Illinois Funds and the Illinois Park District Liquid Asset Fund 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 \$91,020 that is for the repayment of an advance made by the District during the year ended December 31, 2013 to assist the

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

3. LONG-TERM RECEIVABLE (Continued)

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 reported in the Recreation Fund in the amount of \$8,227,343. These agreements give third parties the right to name Sportscore I and Sportscore II and the new downtown facility. Naming rights revenue is considered earned when the naming rights usage takes place.

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, 2017 was \$2,550,000.

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, 2017 was \$5,600,000.

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

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 22,778,684	\$ 128,525	\$ 174,732	\$ 22,732,477
Construction in progress	18,011,764	7,534,785	20,880,362	4,666,187
Total capital assets not being depreciated	40,790,448	7,663,310	21,055,094	27,398,664
Capital assets being depreciated				
Intangible assets	415,102	-	-	415,102
Fine art	335,153	932,050	-	1,267,203
Land improvements	40,676,958	1,720,395	-	42,397,353
Vehicles	2,199,075	270,998	101,898	2,368,175
Infrastructure	15,134,920	-	-	15,134,920
Administrative equipment	3,331,248	112,950	-	3,444,198
Recreation equipment and structure	35,405,422	4,800,687	1,454,994	38,751,115
Buildings and improvements	51,527,099	15,969,938	10,000	67,487,037
Total capital assets being depreciated	149,024,977	23,807,018	1,566,892	171,265,103
Less accumulated depreciation for				
Intangible assets	329,990	26,032	-	356,022
Fine art	85,293	38,809	-	124,102
Land improvements	17,386,790	1,553,158	-	18,939,948
Vehicles	1,519,369	199,667	101,898	1,617,138
Infrastructure	10,197,679	379,176	-	10,576,855
Administrative equipment	3,071,093	87,084	-	3,158,177
Recreation equipment and structure	26,489,302	1,228,542	1,313,889	26,403,955
Buildings and improvements	23,483,291	1,897,674	4,667	25,376,298
Total accumulated depreciation	82,562,807	5,410,142	1,420,454	86,552,495
Total capital assets being depreciated, net	66,462,170	18,396,876	146,438	84,712,608
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 107,252,618	\$ 26,060,186	\$ 21,201,532	\$ 112,111,272

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

GOVERNMENTAL ACTIVITIES	
Park operations	\$ 1,140,501
Recreation operations	
Facilities	3,403,569
Programs	63,981
Therapeutic operations	17,508
Museum operations	505,193
Police protection	49,492
Administration	229,898
TOTAL DEPRECIATION/AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 5,410,142

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

5. CAPITAL ASSETS (Continued)

Construction Commitments

The District has active construction in projects as of December 31, 2017. The projects included the Aldeen Pavilion and various other improvement projects. At year end, the District's commitments with contractors are as follows:

Project	Commitment
Aldeen Pavilion	\$ 2,532,799
Sportscore I Stabilization	2,800
Sand Park - Phase I	<u>85,922</u>
Total	<u>\$ 2,621,591</u>

6. INDIVIDUAL FUND DISCLOSURES

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

Fund	Transfer In	Transfers Out
General	\$ 2,441,392	\$ 266,172
Recreation	424,529	3,243,022
Capital projects	1,552,678	400,000
Nonmajor governmental	<u>58,005</u>	<u>567,410</u>
TOTAL	<u>\$ 4,476,604</u>	<u>\$ 4,476,604</u>

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

- \$2,360,176 transferred from the Recreation Fund to the General Fund for normal administrative, operational and maintenance costs. This amount will not be repaid.
- \$598,894 transferred from the Recreation Fund to the Capital Projects Fund for bond payments not fully funded within the Capital Projects Fund and capital projects. These transfers will not be repaid.
- \$400,000 transferred from the Capital Projects Fund to the Recreation Fund to reimburse Reclaiming First startup costs. This transfer will not be repaid.
- \$430,000 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.
- \$250,000 transferred to the Capital Projects Fund from the General 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, 2017, consist of the following:

General Obligation Bonds

	Purpose	Balance December 31	Current Portion
2008 Series B Bonds, due in varying annual amounts through December 15, 2019, semiannual interest at 3.50% to 4.25%.	Capital Improvements Magic Waters	\$ 450,000	\$ 250,000
2009 Series B Bonds, due in varying annual amounts through December 15, 2021, semiannual interest at 3% to 4%.	Museum Improvements	960,000	225,000
2011 Bonds, due in varying annual amounts through December 30, 2025, semiannual interest at 3.00% to 4.75%.	Refunding of 2003B Bonds, 2008B Bonds and Capital Improvements	2,585,000	75,000
2011 Series A Bonds, due in varying annual amounts through December 15, 2021, semiannual interest at 2.77%.	Various Capital Improvements	565,000	100,000
2014 Series A Bonds, interest paid monthly through August 15, 2016, thereafter due in varying semiannual amounts through October 15, 2034, semiannual interest at 4.05%.	Rehabilitation, Improvements and Extensions to and Equipping of Sportscore II	9,876,473	39,864
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	9,847,049	62,564
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	7,434,652	32,986
2016 A Series Bonds, interest paid semiannually through December 15, 2030, thereafter due in varying semiannual amounts through December 15, 2034, semiannual interest at 3.00% to 3.25%.	Repairing and Improvements to Magic Waters	2,370,000	-

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
2016 B Series Bonds, interest paid semiannually through December 15, 2026, thereafter due in varying semiannual amounts through December 15, 2030, semiannual interest at 3% to 4%.	Repairing and Improvements to Magic Waters and A partial refunding of 2011 Bonds	\$ 2,075,000	\$ -
2017 A Series Bonds, due in one installment on December 15, 2018, semiannual interest at 4%.	General Park Improvements Within the District	5,320,000	5,320,000
TOTAL GENERAL OBLIGATION BONDS PAYABLE		\$ 41,483,174	\$ 6,105,414

General Obligation Debt Certificates

	Purpose	Balance December 31	Current Portion
Debt Certificates, Series 2017B, due in varying annual amounts through December 15, 2019, semiannual interest at 3.375%.	Aldeen Golf Club Pavilion	\$ 1,325,000	\$ 62,000
Debt Certificates, Series 2017C, due in varying annual amounts through December 15, 2019, semiannual interest at 3.375%.	Aldeen Golf Club Pavilion	2,060,000	80,000
TOTAL GENERAL DEBT CERTIFICATES PAYABLE		\$ 3,385,000	\$ 142,000

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 2016 Series Taxable General Obligation Bonds and 2017A 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. 2008 Series B Bonds and the 2011 Series Bonds are to be paid from revenues generated by Magic Waters Theme Park of the Recreation Fund and were issued for construction

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

and improvements to the Magic Waters Theme Park. The 2009 Series B Bonds are to be paid from revenues from the Museum Fund and were issued for general museum improvements. The 2011 Series A Bonds are to be paid from revenues generated through the Foundation contributions and were issued to partially fund the construction of the Nicholas Conservatory. The 2014 Series A, 2015 Series A and 2016 General Obligation Bonds are to be paid from personal property replacement tax and hotel tax. These pledges will remain until all bonds are retired.

The amount of the pledges remaining as of December 31, 2017 is as follows:

Debt Issue	Pledged Revenue Source	Pledge Remaining	Commitment End Date
2008B	Magic Waters Theme Park fees	\$ 477,500	12/15/2019
2009B	Museum tax	1,058,000	12/15/2021
2011	Magic Waters Theme Park fees	3,192,719	12/30/2025
2011A	Rockford Park District Foundation	610,982	12/15/2021
2014A	Personal property replacement and hotel tax	16,429,287	10/15/2034
2015	Personal property replacement and hotel tax	15,944,180	12/15/2034
2016	Personal property replacement and hotel tax	12,325,101	12/15/2034
2016A	Magic Waters Theme Park Fees	3,514,238	12/15/2034
2016B	Magic Waters Theme Park Fees	2,829,925	12/15/2030

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2017 is as follows:

Debt Issue	Pledged Revenue Source	Pledged Revenue	Principal and Interest Paid	Estimated % of Revenue Pledged
2008B	Magic Waters Theme Park fees	\$ 2,609,034	\$ 279,250	11%
2009B	Museum tax	1,444,995	262,000	18%
2011	Magic Waters Theme Park fees	2,609,034	189,344	7%
2011A	Rockford Park District Foundation	118,421	118,421	100%
2014A	Personal property replacement and hotel tax	3,432,808	445,000	13%
2015	Personal property replacement and hotel tax	3,432,808	445,000	13%
2016	Personal property replacement and hotel tax	3,432,808	166,875	5%
2016A	Magic Waters Theme Park Fees	2,609,034	75,025	3%
2016B	Magic Waters Theme Park Fees	2,609,034	69,525	3%

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, 2017 is as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion	Long-Term Portion
General obligation bonds	\$ 38,242,943	\$ 9,449,056	\$ 6,208,825	\$ 41,483,174	\$ 6,105,414	\$ 35,377,760
General obligation debt certificates	-	3,385,000	-	3,385,000	142,000	3,243,000
Capital lease obligation	209,497	-	58,746	150,751	54,286	96,465
Note payable -						
City of Rockford	3,450,000	-	150,000	3,300,000	150,000	3,150,000
Compensated absences	809,460	757,402	715,622	851,240	205,498	645,742
Net pension liability	6,359,130	-	612,177	5,746,953	-	5,746,953
Net other postemployment benefit obligation	2,095,828	98,408	-	2,194,236	-	2,194,236
Contingent liabilities	12,000,000	-	-	12,000,000	1,610,366	10,389,634
Premium on bonds payable	76,645	216,684	227,985	65,344	8,169	57,175
Discount on bonds payable	(11,304)	-	(1,256)	(10,048)	(1,256)	(8,792)
TOTAL LONG-TERM OBLIGATIONS	\$ 63,232,199	\$ 13,906,550	\$ 7,972,099	\$ 69,166,650	\$ 8,274,477	\$ 60,892,173

Compensated absences will be liquidated by several of the governmental funds. The net other postemployment benefit obligation will be paid by the General Fund. Contingent liabilities will be liquidated by the Capital Projects Fund and are discussed in Note 13.

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

Fiscal Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 6,247,415	\$ 1,870,642	\$ 8,118,057
2019	981,876	1,496,900	2,478,776
2020	1,014,542	1,462,361	2,476,903
2021	1,219,345	1,421,017	2,640,362
2022	726,489	1,376,559	2,103,048
2023	778,880	1,347,147	2,126,027
2024	809,584	1,318,221	2,127,805
2025	847,328	1,282,118	2,129,446
2026	882,521	1,246,297	2,128,818
2027	2,298,003	1,217,016	3,515,019
2028	672,923	1,142,202	1,815,125
2029	703,770	1,114,730	1,818,500
2030	712,191	1,088,984	1,801,175
2031	715,951	1,063,524	1,779,475
2032	737,296	1,042,479	1,779,775
2033	769,435	1,013,927	1,783,362
2034	24,750,625	925,491	25,676,116
TOTAL	\$ 44,868,174	\$ 21,429,615	\$ 66,297,789

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Debt (Continued)

The District aggregate indebtedness is subject to a statutory limitation of 2.875% of its equalized assessed value. As of December 31, 2017, the statutory limit for the District was \$59,518,077. The District's outstanding debt, net of assets available for bond retirements, was \$5,320,000, leaving a legal debt margin of \$54,198,077.

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, 2017, this limit on the nonreferendum general obligation bonds was \$11,903,615. The District's outstanding general obligation bonds, net of the \$36,163,174 of general obligation bonds payable from alternative sources and \$358,732 available in the Debt Service Fund, total \$4,961,268, leaving a margin for additional bond issues of \$6,942,347.

b. Capital Lease

During the year ended December 31, 2013, the District entered into a capital lease for a truck and snow plow. The interest rate for the lease is 4.07%. The assets acquired through capital lease have a cost of \$27,195; accumulated depreciation of \$24,475 and a book value of \$2,720 at December 31, 2017.

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 \$16,236 and a book value of \$6,958 at December 31, 2017.

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 \$51,812 and a book value of \$51,451 at December 31, 2017.

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 \$31,087 and a book value of \$72,536 at December 31, 2017.

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

7. LONG-TERM DEBT (Continued)

b. Capital Lease (Continued)

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 54,286
2019	47,062
2020	32,732
2021	<u>21,851</u>
TOTAL MINIMUM LEASE PAYMENTS	155,931
Amount representing interest	<u>(5,180)</u>
Present value of minimum lease payments	<u>\$ 150,751</u>

c. Note payable - City of Rockford

The District has committed to pay the City of Rockford \$150,000 per year for 20 years, beginning 2015 through 2034, for the Ingersoll Facility renovations. The Ingersoll Facility will be transferred by the City of Rockford to the District. The balance of the commitment was \$3,300,000 as of December 31, 2017.

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 \$240,332. The total cost for general and administrative expenses for the Foundation was \$290,332. The Foundation reimbursed the District \$50,000 for general and administration costs.

Total general and administrative cost of the Foundation	\$ 290,332
Less reimbursement	<u>(50,000)</u>
TOTAL IN-KIND GIFT FROM THE DISTRICT	<u>\$ 240,332</u>

During the year ended December 31, 2017, the Foundation paid the District \$1,244,229.

General and administration	\$ 50,275
Grants	4,601
Programs and capital improvements	<u>1,189,353</u>
TOTAL	<u>\$ 1,244,229</u>

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

8. RELATED PARTY TRANSACTIONS (Continued)

In addition, the District has a long-term receivable, offset by unavailable revenue in the capital projects fund and net position of governmental activities in the entity-wide statements, due from the Foundation in the amount of \$565,000 that is used to repay the 2011A General Obligation Alternate Revenue Source Bonds. The amounts are due in annual installments through December 31, 2021 as follows:

<u>Year Ending December 31,</u>	<u>Amount Due</u>
2018	\$ 100,000
2019	100,000
2020	100,000
2021	<u>265,000</u>
 TOTAL	 <u>\$ 565,000</u>

9. EMPLOYEE RETIREMENT SYSTEMS

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

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2016, the latest actuarial valuation date, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	168
Inactive employees entitled to but not yet receiving benefits	165
Active employees	<u>246</u>
 TOTAL	 <u><u>579</u></u>

Benefits Provided

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

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

Contributions

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer rates for calendar years 2016 and 2017 were 10.68% and 10.24% of covered employee payroll, respectively.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2016 the latest actuarial valuation date and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the IMRF total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the 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.

The discount rate used to measure the IMRF total pension liability at December 31, 2015 was 7.49%.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2016	\$ 58,483,865	\$ 52,124,735	\$ 6,359,130
Changes for the period			
Service cost	1,153,885	-	1,153,885
Interest	4,324,937	-	4,324,937
Difference between expected and actual experience	(638,604)	-	(638,604)
Changes in assumptions	(71,065)	-	(71,065)
Employer contributions	-	1,210,528	(1,210,528)
Employee contributions	-	513,138	(513,138)
Net investment income	-	3,607,778	(3,607,778)
Benefit payments and refunds	(2,635,991)	(2,635,991)	-
Other (net transfer)	-	49,886	(49,886)
Net changes	2,133,162	2,745,339	(612,177)
BALANCES AT DECEMBER 31, 2016	\$ 60,617,027	\$ 54,870,074	\$ 5,746,953

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

For the year ended December 31, 2017, the District recognized pension expense of \$2,059,357. At December 31, 2017, 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	\$ 565,917	\$ 768,000
Changes in assumption	689,383	55,983
Contributions made after the measurement date	1,387,518	-
Net difference between projected and actual earnings on pension plan investments	2,678,004	-
TOTAL	\$ 5,320,822	\$ 823,983

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Illinois Municipal Retirement Fund (Continued)

\$1,387,518 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 for the measurement period ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2018	\$ 1,198,521
2019	1,162,334
2020	801,851
2021	<u>(53,385)</u>
 TOTAL	 <u>\$ 3,109,321</u>

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 13,457,305	\$ 5,746,953	\$ (551,440)

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.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

c. Membership

At December 31, 2016 (most recent information available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	37
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>172</u>
 TOTAL	 <u>209</u>
 Participating employers	 <u>1</u>

d. Funding Policy

The District negotiates the contribution percentages between the District and employees through the personnel policy. As of December 31, 2016 (most recent information available), the current retiree contributions are as follows:

Type of Coverage	Share Cost Percentage
Under the age of 65	
Individual	\$50 District, remainder paid by retiree
Family	\$100 District, remainder paid by retiree
Over the age of 65	
All retirees	\$50 District, remainder paid by retiree

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Funding Policy (Continued)

For the fiscal year ended December 31, 2017, retirees contributed approximately \$211,440 and the District contributed \$16,162. The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The District's annual OPEB cost (expense) was \$114,570 for the year ended December 31, 2017. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2017 and two years previous is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 114,570	\$ 16,162	14.11%	\$ 2,194,236
2016	116,276	21,084	18.10%	2,095,828
2015	361,461	-	0.00%	2,000,636

The net OPEB obligation (NOPEBO) as of December 31, 2017 was calculated as follows:

Annual required contribution	\$ 132,077
Interest on net OPEB obligation	83,833
Adjustment to annual required contribution	<u>(101,340)</u>
Annual OPEB cost	114,570
Contributions made	<u>(16,162)</u>
Increase in net OPEB obligation	98,408
Net OPEB obligation, beginning of year	<u>2,095,828</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 2,194,236</u></u>

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2016 (most recent information available) was as follows:

Actuarial accrued liability (AAL)	\$	865,996
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)		865,996
Funded ratio (actuarial value of plan assets/AAL)		0.00%
Covered payroll (active plan members)	\$	9,813,659
UAAL as a percentage of covered payroll		8.73%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2016 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an initial healthcare cost trend rate of 8% decreasing to an ultimate rate of 4%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the District has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2016 was 30 years.

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:

	2017	2016
CLAIMS PAYABLE, JANUARY 1	\$ 541,695	\$ 631,972
Add: Claims incurred/premiums	2,813,002	2,604,189
Less: Claim paid/dismissed	(2,568,332)	(2,694,466)
CLAIMS PAYABLE, DECEMBER 31	<u>\$ 786,365</u>	<u>\$ 541,695</u>

12. OPERATING LEASES

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 240,778
2019	240,778
2020	<u>175,038</u>
TOTAL	<u>\$ 656,594</u>

13. RENTAL INCOME

The District leases building space to six tenants under the terms of operating leases. Monthly rental income for the year ended December 31, 2017 is approximately \$22,821 for the leases, with scheduled rent increases throughout the term of several of the leases. There are varied lease terms through December 2023.

The total rental income recognized by the District for these leases for the year ended December 31, 2017 was \$273,856.

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

13. RENTAL INCOME (Continued)

Future minimum lease payments to be received by the District as of December 31, 2017 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ 295,021
2019	299,690
2020	301,964
2021	257,038
2022	69,850
2023	<u>69,850</u>
 TOTAL	 <u>\$ 1,293,413</u>

The cost of the buildings being leased is \$17,255,382, accumulated depreciation is \$1,491,784, resulting in a \$15,763,598 book value, as of December 31, 2017.

14. CONTINGENCIES AND COMMITMENTS

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

On February 21, 2018, the District reached a settlement with its insurance carrier for certain claims not covered by insurance. The District is required to pay \$1,610,366 by March 1, 2018 based on the terms of the settlement agreement.

The District has recorded a liability on the government-wide financial statement of net position of \$12,000,000 to record its estimated liability for outstanding claims.

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

15. SERVICE CONCESSION ARRANGEMENT

In January of 2016, the District entered into an arrangement with an operator to lease the restaurant and bar area of the Aldeen Golf Club and Practice Centre. The District's objective for entering into the agreement was to obtain an operator for the facilities that is knowledgeable in the field of food operations, catering and food service. The District will lease the premises, including all equipment to the operator for a term of five years, with an option to renew in one-year increments thereafter. The fee is recognized as a percentage of gross receipts of the operations, which includes all income of normal business, as well as special events that are hosted on the premises. The District recognized revenue in the amount of \$27,464 related to this arrangement.

16. SUBSEQUENT EVENT

On March 13, 2018, the District issued \$5,345,000 in General Obligation Park Bonds (Alternate Revenue Source), Series 2018A. The bond proceeds will be used (i) for the purpose of providing environmental remediation at and constructing improvements to Sand Park as required by a consent order, (ii) to provide for the payment of certain claims against the District and (iii) to pay costs of issuing the bonds. Interest of 3.00% to 4.00% on the bonds is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2018.

17. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION

Nature of Business and Summary of Significant Accounting Policies

The Rockford Park District Foundation (the Foundation) is a nonprofit corporation organized under the laws of the State of Illinois for the purpose of promoting educational, scientific, and charitable activities in the Rockford community area. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as other than a private foundation.

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 as in-kind contributions from the District.

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

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

a. Accounting and Reporting Basis

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are reflective of revenues and expenses associated with the principal programs and activities of the Foundation and are not subject to donor-imposed stipulations.

Temporarily restricted net assets are contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset class and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

Permanently restricted net assets result from contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Foundation's actions. In the absence of donor specifications, earnings on such funds are recognized as temporarily restricted until formally appropriated by the Foundation's Board of Directors.

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

b. Estimates

The preparation of financial statements in conformity with 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 includes 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 has \$0 and \$79,614 in excess of federally insured limits at December 31, 2017 and 2016, respectively.

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

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

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

d. Restricted Cash

The Foundation has restricted cash which consists of pledges received for the purpose of paying the long-term liability related to the construction of the Nicholas Conservatory and Gardens. Restricted cash is \$495,505 and \$1,158,855 as of December 31, 2017 and 2016, respectively.

e. 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 allowance 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.

f. Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported in unrestricted net assets 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, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

The Foundation reports gifts of goods and equipment as unrestricted support 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 restricted support. 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.

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

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

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

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.

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 unrestricted net assets unless the income or loss is restricted by donor or law. 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 temporarily restricted net assets.

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.

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

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

i. Fair Value Measurements (Continued)

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

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAV's 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 years ended December 31, 2017 and 2016.

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

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

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

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

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

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

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

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 market value at the date of donation or cost at the date of purchase. At the date of donation to the District the property is recorded as a donation expense.

k. Property and Equipment

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

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

REQUIRED SUPPLEMENTARY INFORMATION

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 6,321,665	\$ 6,321,665	\$ 6,335,504	\$ 13,839
Other taxes	276,480	276,480	310,630	34,150
Fees and admissions	294,398	294,398	287,683	(6,715)
Investment income	9,200	9,200	26,609	17,409
Miscellaneous income	120,914	120,914	103,530	(17,384)
Total revenues	7,022,657	7,022,657	7,063,956	41,299
EXPENDITURES				
Current				
Park operations	4,094,130	3,812,000	3,810,167	(1,833)
Administration	5,710,558	5,260,000	5,259,439	(561)
Total expenditures	9,804,688	9,072,000	9,069,606	(2,394)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,782,031)	(2,049,343)	(2,005,650)	43,693
OTHER FINANCING SOURCES (USES)				
Transfers in	3,215,493	2,441,392	2,441,392	-
Transfers (out)	(433,462)	(266,172)	(266,172)	-
Total other financing sources (uses)	2,782,031	2,175,220	2,175,220	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 125,877	169,570	\$ 43,693
FUND BALANCE, JANUARY 1			3,308,611	
FUND BALANCE, DECEMBER 31			\$ 3,478,181	

(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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 6,269,629	\$ 6,269,629	\$ 6,288,301	\$ 18,672
Other taxes	783,360	783,360	880,118	96,758
Intergovernmental	741,036	741,036	787,600	46,564
Fees and admissions	11,758,161	11,758,161	10,122,098	(1,636,063)
Investment income	1,150	1,150	2,021	871
Miscellaneous income	1,107,435	1,107,435	788,735	(318,700)
Total revenues	20,660,771	20,660,771	18,868,873	(1,791,898)
EXPENDITURES				
Current				
Recreation operations				
Facilities	12,757,938	12,258,000	12,256,048	(1,952)
Programs	4,002,113	3,828,000	3,825,491	(2,509)
Total expenditures	16,760,051	16,086,000	16,081,539	(4,461)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,900,720	4,574,771	2,787,334	(1,787,437)
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	424,529	424,529	-
Transfers (out)	(3,920,720)	(3,243,022)	(3,243,022)	-
Total other financing sources (uses)	(3,900,720)	(2,818,493)	(2,818,493)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 1,756,278	(31,159)	\$ (1,787,437)
FUND BALANCE, JANUARY 1			40,986	
FUND BALANCE, DECEMBER 31			\$ 9,827	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2017

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2012	\$ 99,899	\$ 327,110	30.54%
2013	39,890	410,144	9.73%
2014	112,770	352,417	32.00%
2015*	-	352,417	0.00%
2016	21,084	130,733	16.13%
2017	16,162	132,077	12.24%

*The District did not make contributions for retirees in 2015.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

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

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 26 years; the asset valuation method was five-year smoothed market and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 4.40% to 16.00% 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 FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2017

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2012	\$ -	\$ 4,334,942	0.00%	\$ 4,334,942	\$ 9,565,864	45.32%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	3,506,297	0.00%	3,506,297	10,223,810	34.30%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	856,996	0.00%	856,996	9,813,659	8.73%
2017	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information is not available as no actuarial valuation was performed as of December 31, 2017, 2015 and 2013.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

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

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31	2014	2015	2016
TOTAL PENSION LIABILITY			
Service cost	\$ 1,141,037	\$ 1,116,323	\$ 1,153,885
Interest	3,796,960	4,058,985	4,324,937
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(699,746)	974,639	(638,604)
Changes of assumptions	1,714,348	69,460	(71,065)
Benefits payments, including refunds of member contributions	(2,298,770)	(2,594,373)	(2,635,991)
Net change in total pension liability	3,653,829	3,625,034	2,133,162
Total pension liability - beginning	51,205,002	54,858,831	58,483,865
TOTAL PENSION LIABILITY - ENDING	\$ 54,858,831	\$ 58,483,865	\$ 60,617,027
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 1,178,537	\$ 1,179,898	\$ 1,210,528
Contributions - member	457,530	494,501	513,138
Net investment income	3,071,467	259,828	3,607,778
Benefit payments, including refunds of member contributions	(2,298,770)	(2,594,373)	(2,635,991)
Other	(666,433)	359,279	49,886
Net change in plan fiduciary net position	1,742,331	(300,867)	2,745,339
Plan fiduciary net position - beginning	50,683,271	52,425,602	52,124,735
PLAN FIDUCIARY NET POSITION - ENDING	\$ 52,425,602	\$ 52,124,735	\$ 54,870,074
EMPLOYER'S NET PENSION LIABILITY	\$ 2,433,229	\$ 6,359,130	\$ 5,746,953
Plan fiduciary net position as a percentage of the total pension liability	95.56%	89.13%	90.52%
Covered-employee payroll	\$ 10,245,500	\$ 10,783,924	\$ 11,399,278
Employer's net pension liability as a percentage of covered-employee payroll	23.75%	58.97%	50.42%

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.

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, 2017

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 generally accepted accounting principles 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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 6,321,665	\$ 6,321,665	\$ 6,335,504	\$ 13,839
Other taxes	276,480	276,480	310,630	34,150
Fees and admissions	294,398	294,398	287,683	(6,715)
Investment income	9,200	9,200	26,609	17,409
Miscellaneous income	120,914	120,914	103,530	(17,384)
Total revenues	<u>7,022,657</u>	<u>7,022,657</u>	<u>7,063,956</u>	<u>41,299</u>
EXPENDITURES				
Current				
Personnel costs	5,260,404	5,200,000	5,199,699	(301)
Employee benefits	1,190,450	933,000	932,124	(876)
Commodities	684,030	613,000	612,395	(605)
Professional services	2,669,804	2,326,000	2,325,388	(612)
Total expenditures	<u>9,804,688</u>	<u>9,072,000</u>	<u>9,069,606</u>	<u>(2,394)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,782,031)</u>	<u>(2,049,343)</u>	<u>(2,005,650)</u>	<u>43,693</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,215,493	2,441,392	2,441,392	-
Transfers (out)	(433,462)	(266,172)	(266,172)	-
Total other financing sources (uses)	<u>2,782,031</u>	<u>2,175,220</u>	<u>2,175,220</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 125,877</u>	<u>169,570</u>	<u>\$ 43,693</u>
FUND BALANCE, JANUARY 1			<u>3,308,611</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 3,478,181</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
RECREATION FUND

For the Year Ended December 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
REVENUES				
Property taxes	\$ 6,269,629	\$ 6,269,629	\$ 6,288,301	\$ 18,672
Other taxes	783,360	783,360	880,118	96,758
Intergovernmental	741,036	741,036	787,600	46,564
Fees and admissions	11,758,161	11,758,161	10,122,098	(1,636,063)
Investment income	1,150	1,150	2,021	871
Miscellaneous income	1,107,435	1,107,435	788,735	(318,700)
	<hr/>			
Total revenues	20,660,771	20,660,771	18,868,873	(1,791,898)
<hr/>				
EXPENDITURES				
Current				
Personnel costs	9,860,987	9,429,000	9,428,133	(867)
Employee benefits	1,343,369	1,055,000	1,053,416	(1,584)
Commodities	2,223,017	2,427,000	2,426,188	(812)
Professional services	3,332,678	3,175,000	3,173,802	(1,198)
	<hr/>			
Total expenditures	16,760,051	16,086,000	16,081,539	(4,461)
<hr/>				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,900,720	4,574,771	2,787,334	(1,787,437)
<hr/>				
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	424,529	424,529	-
Transfers (out)	(3,920,720)	(3,243,022)	(3,243,022)	-
	<hr/>			
Total other financing sources (uses)	(3,900,720)	(2,818,493)	(2,818,493)	-
<hr/>				
NET CHANGE IN FUND BALANCE	\$ -	\$ 1,756,278	(31,159)	\$ (1,787,437)
<hr/>				
FUND BALANCE, JANUARY 1			40,986	
<hr/>				
FUND BALANCE, DECEMBER 31			\$ 9,827	
<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
DEBT SERVICE FUND**

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 5,451,674	\$ 5,450,539	\$ 5,468,102	\$ 17,563
Investment income	4,000	4,000	24,427	20,427
Total revenues	<u>5,455,674</u>	<u>5,454,539</u>	<u>5,492,529</u>	<u>37,990</u>
EXPENDITURES				
Debt service				
Principal	5,285,000	5,285,000	5,285,000	-
Interest and fiscal charges	235,052	240,600	235,079	(5,521)
Total expenditures	<u>5,520,052</u>	<u>5,525,600</u>	<u>5,520,079</u>	<u>(5,521)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (64,378)</u>	<u>\$ (71,061)</u>	<u>(27,550)</u>	<u>\$ 43,511</u>
FUND BALANCE, JANUARY 1			<u>386,283</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 358,733</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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Intergovernmental	\$ 3,207,025	\$ 3,207,025	\$ 2,767,308	\$ (439,717)
Local donations	413,721	413,721	474,930	61,209
Fees and admissions	50,000	50,000	53,208	3,208
Investment income	4,000	4,000	33,583	29,583
Miscellaneous income	237,400	237,400	146,393	(91,007)
Total revenues	3,912,146	3,912,146	3,475,422	(436,724)
EXPENDITURES				
Current				
Personnel costs	481,392	558,000	557,577	(423)
Employee benefits	103,402	86,500	86,159	(341)
Commodities	6,440	34,500	34,274	(226)
Professional services	305,522	3,683,000	3,682,071	(929)
Capital outlay	17,052,739	9,265,000	9,261,841	(3,159)
Debt service				
Principal	993,493	1,132,571	1,132,571	-
Interest and fiscal charges	1,308,415	1,422,929	1,422,453	(476)
Total expenditures	20,251,403	16,182,500	16,176,946	(5,554)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,339,257)	(12,270,354)	(12,701,524)	(431,170)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,211,566	1,552,678	1,552,678	-
Transfers (out)	-	(400,000)	(400,000)	-
Issuance of bonds	11,231,000	11,231,000	12,834,056	1,603,056
Premium on issuance of bonds	-	-	216,684	216,684
Insurance proceeds	832,000	832,000	96,065	(735,935)
Proceeds from the sale of capital assets	2,000	2,000	24,875	22,875
Total other financing sources (uses)	13,276,566	13,217,678	14,324,358	1,106,680
NET CHANGE IN FUND BALANCE	\$ (3,062,691)	\$ 947,324	1,622,834	\$ 675,510
FUND BALANCE, JANUARY 1			5,487,891	
FUND BALANCE, DECEMBER 31			\$ 7,110,725	

(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, 2017

	Special Revenue					Permanent		Total
	Museum	Police Protection	Employee Benefit	Liability Insurance	Audit	Special Recreation	Working Cash	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
ASSETS								
Cash	\$ 28,208	\$ 11,408	\$ 56,437	\$ 82,573	\$ 3,301	\$ 75,920	\$ 34,921	\$ 292,768
Investments	546,616	221,063	1,093,640	1,600,098	63,976	1,471,182	676,697	5,673,272
Receivables (net, where applicable, of allowances for uncollectibles)								
Property taxes	1,466,666	523,813	1,854,852	864,028	53,976	838,096	-	5,601,431
Accrued interest	174	70	348	509	20	468	214	1,803
Prepaid expenditures	-	220	-	-	-	2,500	-	2,720
Total assets	2,041,664	756,574	3,005,277	2,547,208	121,273	2,388,166	711,832	11,571,994
DEFERRED OUTFLOWS OF RESOURCES								
None	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,041,664	\$ 756,574	\$ 3,005,277	\$ 2,547,208	\$ 121,273	\$ 2,388,166	\$ 711,832	\$ 11,571,994

	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	\$ -	\$ 10,488	\$ 31	\$ 236,950	\$ 6,499	\$ 13,495	\$ -	\$ 267,463
Accrued payroll	-	1,376	206,513	-	-	-	-	207,889
Due to other governments	-	45,709	33,934	-	-	-	-	79,643
Unearned revenue	-	-	-	-	-	4,908	-	4,908
Total liabilities	-	57,573	240,478	236,950	6,499	18,403	-	559,903
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	1,462,424	522,294	1,849,188	861,500	53,800	835,671	-	5,584,877
Total deferred inflows of resources	1,462,424	522,294	1,849,188	861,500	53,800	835,671	-	5,584,877
Total liabilities and deferred inflows of resources	1,462,424	579,867	2,089,666	1,098,450	60,299	854,074	-	6,144,780
FUND BALANCES								
Nonspendable in form - prepaid items	-	220	-	-	-	2,500	-	2,720
Restricted for museum operations	573,617	-	-	-	-	-	-	573,617
Restricted for police protection	-	6,221	-	-	-	-	-	6,221
Restricted for employee benefits	-	-	915,611	-	-	-	-	915,611
Restricted for liability insurance	-	-	-	1,448,758	-	-	-	1,448,758
Restricted for audit	-	-	-	-	60,196	-	-	60,196
Restricted for working cash	-	-	-	-	-	-	711,832	711,832
Restricted for special recreation	-	-	-	-	-	1,509,882	-	1,509,882
Unrestricted								
Assigned for museum operations	5,623	-	-	-	-	-	-	5,623
Assigned for police protection	-	170,266	-	-	-	-	-	170,266
Assigned for audit	-	-	-	-	778	-	-	778
Assigned for special recreation	-	-	-	-	-	21,710	-	21,710
Total fund balances	579,240	176,707	915,611	1,448,758	60,974	1,534,092	711,832	5,427,214
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,041,664	\$ 756,574	\$ 3,005,277	\$ 2,547,208	\$ 121,273	\$ 2,388,166	\$ 711,832	\$ 11,571,994

(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, 2017

	Special Revenue						Permanent	Total Nonmajor Governmental Funds
	Museum	Police Protection	Employee Benefit	Liability Insurance	Audit	Special Recreation	Working Cash	
REVENUES								
Property taxes	\$ 1,432,027	\$ 512,876	\$ 1,910,548	\$ 853,470	\$ 59,471	\$ 818,583	\$ -	\$ 5,586,975
Other taxes	-	776,575	618,626	-	-	-	-	1,395,201
Intergovernmental	-	169	-	-	-	-	-	169
Fees and admissions	-	19,699	-	-	-	45,912	-	65,611
Investment income	4,196	3,323	9,886	12,988	360	11,883	5,562	48,198
Miscellaneous income	-	-	-	-	-	49,032	-	49,032
Total revenues	1,436,223	1,312,642	2,539,060	866,458	59,831	925,410	5,562	7,145,186
EXPENDITURES								
Current								
Park operations	-	-	353,014	115,921	-	-	-	468,935
Recreation operations								
Facilities	-	-	1,088,815	457,943	-	-	-	1,546,758
Programs	-	-	438,246	133,313	-	-	-	571,559
Therapeutic operations	-	-	95,366	42,495	-	779,776	-	917,637
Museum operations	973,023	-	-	-	-	-	-	973,023
Police protection	-	1,278,485	159,644	34,785	-	-	-	1,472,914
Administration	-	-	489,172	112,065	55,142	-	-	656,379
Total expenditures	973,023	1,278,485	2,624,257	896,522	55,142	779,776	-	6,607,205
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	463,200	34,157	(85,197)	(30,064)	4,689	145,634	5,562	537,981

	Special Revenue					Permanent	Nonmajor
	Museum	Police Protection	Employee Benefit	Liability Insurance	Audit	Working Cash	Governmental Funds
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ -	\$ 18,409	\$ 30,616	\$ -	\$ -	\$ 8,980	\$ 58,005
Transfers (out)	(455,317)	-	-	-	-	(106,529)	(567,410)
Total other financing sources (uses)	(455,317)	18,409	30,616	-	-	(97,549)	(509,405)
NET CHANGE IN FUND BALANCES	7,883	52,566	(54,581)	(30,064)	4,689	48,085	(2)
FUND BALANCES, JANUARY 1	571,357	124,141	970,192	1,478,822	56,285	1,486,007	5,398,638
FUND BALANCES, DECEMBER 31	\$ 579,240	\$ 176,707	\$ 915,611	\$ 1,448,758	\$ 60,974	\$ 1,534,092	\$ 5,427,214

(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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 1,426,912	\$ 1,426,912	\$ 1,432,027	\$ 5,115
Investment income	1,150	1,150	4,196	3,046
Total revenues	<u>1,428,062</u>	<u>1,428,062</u>	<u>1,436,223</u>	<u>8,161</u>
EXPENDITURES				
Current				
Museum operations				
Professional services	972,745	973,500	973,023	(477)
Total expenditures	<u>972,745</u>	<u>973,500</u>	<u>973,023</u>	<u>(477)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>455,317</u>	<u>454,562</u>	<u>463,200</u>	<u>8,638</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(455,317)	(455,317)	(455,317)	-
Total other financing sources (uses)	<u>(455,317)</u>	<u>(455,317)</u>	<u>(455,317)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (755)</u>	7,883	<u>\$ 8,638</u>
FUND BALANCE, JANUARY 1			<u>571,357</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 579,240</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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 509,611	\$ 509,611	\$ 512,876	\$ 3,265
Other taxes	691,200	691,200	776,575	85,375
Intergovernmental	1,000	1,000	169	(831)
Fees and admissions	16,600	16,600	19,699	3,099
Investment income	600	600	3,323	2,723
Total revenues	1,219,011	1,219,011	1,312,642	93,631
EXPENDITURES				
Current				
Police protection				
Personnel costs	990,827	986,000	985,647	(353)
Employee benefits	255,004	188,500	188,088	(412)
Commodities	63,900	48,500	48,372	(128)
Professional services	81,674	56,500	56,378	(122)
Total expenditures	1,391,405	1,279,500	1,278,485	(1,015)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(172,394)	(60,489)	34,157	94,646
OTHER FINANCING SOURCES (USES)				
Transfers in	172,394	18,409	18,409	-
Total other financing sources (uses)	172,394	18,409	18,409	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (42,080)	52,566	\$ 94,646
FUND BALANCE, JANUARY 1			124,141	
FUND BALANCE, DECEMBER 31			\$ 176,707	

(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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 1,904,754	\$ 1,904,365	\$ 1,910,548	\$ 6,183
Other taxes	552,960	552,960	618,626	65,666
Investment income	3,100	3,100	9,886	6,786
Total revenues	2,460,814	2,460,425	2,539,060	78,635
EXPENDITURES				
Current				
Park operations	422,843	423,247	353,014	(70,233)
Recreation operations				
Facilities	983,244	984,181	1,088,815	104,634
Programs	446,303	446,728	438,246	(8,482)
Therapeutic operations	93,070	93,158	95,366	2,208
Police protection	160,375	160,528	159,644	(884)
Administration	517,765	518,258	489,172	(29,086)
Total expenditures	2,623,600	2,626,100	2,624,257	(1,843)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(162,786)	(165,675)	(85,197)	80,478
OTHER FINANCING SOURCES (USES)				
Transfers in	162,786	30,616	30,616	-
Total other financing sources (uses)	162,786	30,616	30,616	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (135,059)	(54,581)	\$ 80,478
FUND BALANCE, JANUARY 1			970,192	
FUND BALANCE, DECEMBER 31			\$ 915,611	

(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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 850,000	\$ 850,000	\$ 853,470	\$ 3,470
Investment income	4,000	4,000	12,988	8,988
Total revenues	854,000	854,000	866,458	12,458
EXPENDITURES				
Current				
Park operations	124,067	116,046	115,921	(125)
Recreation operations				
Facilities	490,122	458,443	457,943	(500)
Programs	142,680	133,458	133,313	(145)
Therapeutic operations	45,481	42,542	42,495	(47)
Police protection	37,229	34,823	34,785	(38)
Administration	119,940	112,188	112,065	(123)
Total expenditures	959,519	897,500	896,522	(978)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(105,519)	(43,500)	(30,064)	13,436
OTHER FINANCING SOURCES (USES)				
Transfers in	105,519	-	-	-
Total other financing sources (uses)	105,519	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (43,500)	(30,064)	\$ 13,436
FUND BALANCE, JANUARY 1			1,478,822	
FUND BALANCE, DECEMBER 31			\$ 1,448,758	

(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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 57,850	\$ 57,850	\$ 59,471	\$ 1,621
Investment income	150	150	360	210
Total revenues	58,000	58,000	59,831	1,831
EXPENDITURES				
Current				
Administration				
Professional services	58,000	55,500	55,142	(358)
Total expenditures	58,000	55,500	55,142	(358)
NET CHANGE IN FUND BALANCE				
	\$ -	\$ 2,500	4,689	\$ 2,189
FUND BALANCE, JANUARY 1			56,285	
FUND BALANCE, DECEMBER 31			\$ 60,974	

(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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES				
Property taxes	\$ 815,378	\$ 815,378	\$ 818,583	\$ 3,205
Fees and admissions	53,996	53,996	45,912	(8,084)
Investment income	4,000	4,000	11,883	7,883
Miscellaneous income	51,416	51,416	49,032	(2,384)
Total revenues	924,790	924,790	925,410	620
EXPENDITURES				
Current				
Therapeutic operations				
Personnel costs	622,273	589,000	588,789	(211)
Employee benefits	113,193	78,600	78,510	(90)
Commodities	28,147	35,500	35,161	(339)
Professional services	82,918	77,500	77,316	(184)
Total expenditures	846,531	780,600	779,776	(824)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	78,259	144,190	145,634	1,444
OTHER FINANCING SOURCES (USES)				
Transfers in	23,741	8,980	8,980	-
Transfers (out)	(102,000)	(106,980)	(106,529)	451
Total other financing sources (uses)	(78,259)	(98,000)	(97,549)	451
NET CHANGE IN FUND BALANCE	\$ -	\$ 46,190	48,085	\$ 1,895
FUND BALANCE, JANUARY 1			1,486,007	
FUND BALANCE, DECEMBER 31			\$ 1,534,092	

(See independent auditor's report.)

FIDUCIARY FUNDS

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
WINNEBAGO COUNTY REGIONAL TOURISM FACILITY BOARD FUND

For the Year Ended December 31, 2017

	Balances December 31, 2016	Additions	Deductions	Balances December 31, 2017
ASSETS				
Cash	\$ 25,000	\$ 590,910	\$ (590,910)	\$ 25,000
Investments	665,383	1,138,596	(639,089)	1,164,890
Other receivables	115,013	1,116,590	(1,083,575)	148,028
TOTAL ASSETS	\$ 805,396	\$ 2,846,096	\$ (2,313,574)	\$ 1,337,918
LIABILITIES				
Accounts payable	\$ 44,146	\$ 606,764	\$ (620,910)	\$ 30,000
Due to others	761,250	2,239,332	(1,692,664)	1,307,918
TOTAL LIABILITIES	\$ 805,396	\$ 2,846,096	\$ (2,313,574)	\$ 1,337,918

(See independent auditor's report.)

SUPPLEMENTARY INFORMATION

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**SCHEDULE OF REVENUES AND EXPENDITURES
RECREATION FUND DEPARTMENTS
MAGIC WATERS**

For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Fees and admissions	\$ 3,306,602	\$ 2,620,373	\$ (686,229)
Other income	(17,000)	(11,339)	5,661
Total revenues	<u>3,289,602</u>	<u>2,609,034</u>	<u>(680,568)</u>
EXPENDITURES			
Current			
Personnel costs	1,303,664	1,252,014	(51,650)
Employee benefits	58,818	50,129	(8,689)
Commodities	697,496	689,031	(8,465)
Professional services	610,495	586,933	(23,562)
Total expenditures	<u>2,670,473</u>	<u>2,578,107</u>	<u>(92,366)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 619,129</u>	<u>\$ 30,927</u>	<u>\$ (588,202)</u>

*Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**SCHEDULE OF REVENUES AND EXPENDITURES
RECREATION FUND DEPARTMENTS
ICE ARENAS**

For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Fees and admissions	\$ 1,559,384	\$ 1,619,280	\$ 59,896
Other income	35,160	68,234	33,074
Total revenues	1,594,544	1,687,514	92,970
EXPENDITURES			
Current			
Personnel costs	1,015,945	1,047,919	31,974
Employee benefits	178,655	141,750	(36,905)
Commodities	202,685	251,928	49,243
Professional services	505,366	472,980	(32,386)
Total expenditures	1,902,651	1,914,577	11,926
REVENUES OVER (UNDER) EXPENDITURES	\$ (308,107)	\$ (227,063)	\$ 81,044

*Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**SCHEDULE OF REVENUES AND EXPENDITURES
RECREATION FUND DEPARTMENTS
SPORTSCORE OPERATIONS**

For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Fees and admissions	\$ 1,621,475	\$ 1,346,790	\$ (274,685)
Other income	508,469	222,452	(286,017)
Total revenues	2,129,944	1,569,242	(560,702)
EXPENDITURES			
Current			
Personnel costs	975,487	916,634	(58,853)
Employee benefits	158,465	126,318	(32,147)
Commodities	295,854	328,841	32,987
Professional services	445,110	390,164	(54,946)
Total expenditures	1,874,916	1,761,957	(112,959)
REVENUES OVER (UNDER) EXPENDITURES	\$ 255,028	\$ (192,715)	\$ (447,743)

*Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**SCHEDULE OF REVENUES AND EXPENDITURES
RECREATION FUND DEPARTMENTS
GOLF COURSES**

For the Year Ended December 31, 2017

	Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Fees and admissions	\$ 2,326,283	\$ 2,313,295	\$ (12,988)
Other income	99,595	84,632	(14,963)
Total revenues	<u>2,425,878</u>	<u>2,397,927</u>	<u>(27,951)</u>
EXPENDITURES			
Current			
Personnel costs	1,700,876	1,648,407	(52,469)
Employee benefits	185,659	158,053	(27,606)
Commodities	379,361	476,106	96,745
Professional services	335,146	369,961	34,815
Total expenditures	<u>2,601,042</u>	<u>2,652,527</u>	<u>51,485</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (175,164)</u>	<u>\$ (254,600)</u>	<u>\$ (79,436)</u>

*Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

**SCHEDULE OF WINNEBAGO COUNTY REGIONAL TOURISM FACILITY BOARD
ADDITIONS AND DEDUCTIONS**

For the Year Ended December 31, 2017

ADDITIONS RECEIVED	
Intergovernmental revenue from Winnebago County	\$ 968,562
Intergovernmental receivable from Winnebago County	<u>148,028</u>
Total additions received	1,116,590
Interest received	<u>6,842</u>
TOTAL ADDITIONS	1,123,432
DEDUCTIONS	
Capital acquisitions	120,000
Reclaiming first contribution	<u>456,764</u>
INCREASE IN DUE TO OTHERS	546,668
DUE TO OTHERS, JANUARY 1, 2017	<u>761,250</u>
DUE TO OTHERS, DECEMBER 31, 2017	<u><u>\$ 1,307,918</u></u>

(See independent auditor's report.)

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have been changed over time.	81-86
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	87-90
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.	91-95
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.	96-97
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.	98-100

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 47,612,063	\$ 54,003,970	\$ 59,658,439	\$ 60,731,795	\$ 63,657,961	\$ 64,804,127	\$ 66,466,818	\$ 66,137,281	\$ 66,751,016	\$ 67,076,660
Restricted	6,792,202	6,724,118	6,746,101	6,113,673	8,816,174	7,587,233	17,906,021	16,913,944	16,380,920	16,324,786
Unrestricted	(12,985,215)	(13,373,102)	(11,603,800)	(9,736,397)	(11,049,544)	(10,245,096)	(10,571,903)	(10,000,303)	(8,779,507)	(10,479,582)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 41,419,050	\$ 47,354,986	\$ 54,800,740	\$ 57,109,071	\$ 61,424,591	\$ 62,146,264	\$ 73,800,936	\$ 73,050,922	\$ 74,352,429	\$ 72,921,864

Data Source

Audited financial statements

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES										
Governmental activities										
Park operations	\$ 5,656,714	\$ 5,997,535	\$ 6,645,990	\$ 6,440,226	\$ 6,416,140	\$ 6,354,290	\$ 6,527,857	\$ 6,878,434	\$ 6,807,504	\$ 6,619,566
Recreation operations	18,395,629	17,311,337	17,579,763	19,893,296	20,949,593	19,604,372	19,641,401	19,829,648	22,046,390	24,068,759
Museum operations	1,961,253	2,203,744	2,663,683	2,161,593	2,043,907	2,259,746	1,791,665	1,771,005	1,605,201	1,616,431
Police protection	2,182,833	2,036,787	2,098,284	2,074,287	2,043,411	1,984,336	1,932,322	1,940,498	1,533,013	1,601,164
Administration	7,071,821	7,316,267	7,808,941	7,124,545	6,912,356	7,084,225	6,930,477	7,125,634	7,893,541	7,484,737
Interest on debt	713,973	636,764	517,610	624,187	681,339	536,339	775,660	498,884	1,612,460	1,465,874
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	\$ 35,982,223	\$ 35,502,434	\$ 37,314,271	\$ 38,318,134	\$ 39,046,746	\$ 37,823,308	\$ 37,599,382	\$ 38,044,103	\$ 41,498,109	\$ 42,856,531
PROGRAM REVENUES										
Governmental activities										
Program revenues										
Charges for services										
Recreation operations	\$ 9,720,947	\$ 9,084,565	\$ 10,066,022	\$ 9,794,420	\$ 10,252,999	\$ 8,328,295	\$ 8,313,033	\$ 9,169,912	\$ 10,353,537	\$ 10,224,538
Other	582,183	660,774	695,466	374,571	313,189	323,438	338,082	340,170	345,443	307,381
Operating grants and contributions	1,084,363	374,483	280,935	1,238,228	1,581,212	922,910	967,790	967,879	1,417,125	1,592,625
Capital grants and contributions	2,223,488	7,179,842	9,015,757	4,425,937	2,410,343	2,112,428	12,917,539	2,093,680	2,469,758	2,506,510
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	\$ 13,610,981	\$ 17,299,664	\$ 20,058,180	\$ 15,833,156	\$ 14,557,743	\$ 11,687,071	\$ 22,536,444	\$ 12,571,641	\$ 14,585,863	\$ 14,631,054
NET REVENUE (EXPENSE)										
Governmental activities	\$ (22,371,242)	\$ (18,202,770)	\$ (17,256,091)	\$ (22,484,978)	\$ (24,489,003)	\$ (26,136,237)	\$ (15,062,938)	\$ (25,472,462)	\$ (26,912,246)	\$ (28,225,477)

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Taxes										
Property	\$ 20,668,089	\$ 21,683,971	\$ 22,028,216	\$ 22,394,484	\$ 22,724,413	\$ 23,285,043	\$ 23,564,421	\$ 23,544,225	\$ 23,613,467	\$ 23,678,883
Other taxes	2,663,999	2,247,435	2,423,247	2,135,389	2,139,301	2,371,606	2,441,525	2,304,035	2,306,928	2,585,949
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment earnings	308,465	79,198	42,986	49,139	30,611	23,965	22,857	22,967	55,986	134,838
Other	527,808	171,757	99,689	214,297	143,732	1,475,848	367,103	1,282,547	699,305	395,242
Gain on sale of capital assets	-	-	-	-	-	-	23,152	1,903	14,875	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 24,168,361	\$ 24,182,361	\$ 24,594,138	\$ 24,793,309	\$ 25,038,057	\$ 27,156,462	\$ 26,419,058	\$ 27,155,677	\$ 26,690,561	\$ 26,794,912
CHANGE IN NET POSITION										
Governmental activities	\$ 1,797,119	\$ 5,979,591	\$ 7,338,047	\$ 2,308,331	\$ 549,054	\$ 1,020,225	\$ 11,356,120	\$ 1,683,215	\$ (221,685)	\$ (1,430,565)

Data Source

Audited financial statements

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL FUND										
Nonspendable in form - inventory	\$ -	\$ -	\$ -	\$ 49,460	\$ 54,810	\$ 50,192	\$ 44,449	\$ 44,292	\$ 49,150	\$ 41,472
Nonspendable in form - prepaid items	-	-	-	35,960	43,700	5,000	5,000	58,865	87,507	-
Nonspendable in form - long-term receivables	-	-	-	-	-	30,000	30,000	27,010	24,040	21,050
Reserved/Restricted	1,800,348	1,655,188	1,650,411	-	-	-	-	-	-	-
Unreserved/Unassigned	2,996,592	1,741,772	2,515,983	2,771,216	2,783,571	2,913,971	3,013,138	2,941,347	3,147,914	3,415,659
TOTAL GENERAL FUND	\$ 4,796,940	\$ 3,396,960	\$ 4,166,394	\$ 2,856,636	\$ 2,882,081	\$ 2,999,163	\$ 3,092,587	\$ 3,071,514	\$ 3,308,611	\$ 3,478,181
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable in form - inventory	\$ -	\$ -	\$ -	\$ 97,384	\$ 91,227	\$ 70,107	\$ 75,122	\$ 91,899	\$ 92,067	\$ 94,986
Nonspendable in form - prepaid items	-	-	-	992,360	-	2,550	65,060	6,480	13,818	7,350
Nonspendable in form - long-term receivables	-	-	-	-	-	100,000	117,000	89,990	-	-
Reserved/Restricted										
Special revenue funds	3,789,729	3,911,757	3,953,186	-	-	-	-	-	-	-
Permanent funds	709,863	709,863	711,834	-	-	-	-	-	-	-
Capital projects fund	-	169,827	-	-	-	-	-	-	-	-
Debt service fund	637,760	613,422	614,492	-	-	-	-	-	-	-
Restricted for museum operations	-	-	-	613,531	614,886	581,826	572,124	572,124	569,930	573,617
Restricted for police protection	-	-	-	55,860	25,076	12,173	10,014	-	7,355	6,221
Restricted for employee benefits	-	-	-	1,154,228	1,154,228	1,155,723	1,155,723	1,087,854	970,192	915,611
Restricted for audit	-	-	-	20,385	27,201	37,570	49,121	49,570	55,867	60,196
Restricted for working cash	-	-	-	711,834	711,834	711,834	711,834	711,834	711,834	711,832
Restricted for special recreation	-	-	-	1,402,229	1,444,389	1,423,890	1,439,592	1,438,610	1,476,179	1,509,882
Restricted for debt service	-	-	-	602,989	545,943	521,600	487,764	432,406	386,283	358,733
Restricted for liability insurance	-	-	-	1,552,617	1,552,617	1,552,617	1,552,617	1,512,541	1,478,822	1,448,758
Restricted for capital projects	-	-	-	2,175,617	5,356,161	1,948,086	2,886,086	2,901,171	5,098,643	6,476,137
Unreserved/Unrestricted reported in										
Assigned for specific purposes	-	-	-	220,476	212,597	246,924	367,020	236,427	512,244	832,162
Special revenue funds	(635,875)	711,711	(71,777)	-	-	-	-	-	-	-
Capital projects fund	1,261,908	(262,665)	6,087,175	-	-	-	(88,986)	-	-	-
Unassigned	-	-	-	(247,953)	-	-	(70,142)	(98,094)	(59,436)	(88,986)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 5,763,385	\$ 5,853,915	\$ 11,294,910	\$ 9,351,557	\$ 11,736,159	\$ 8,364,900	\$ 9,329,949	\$ 9,032,812	\$ 11,313,798	\$ 12,906,499

Note: GASB Statement No. 54 was implemented in 2011.

[Data Source](#)

Audited financial statements

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Property taxes	\$ 20,668,090	\$ 21,683,972	\$ 22,028,215	\$ 22,394,484	\$ 22,724,413	\$ 23,285,043	\$ 23,564,421	\$ 23,544,225	\$ 23,613,468	\$ 23,678,882
Intergovernmental and other taxes	3,806,728	2,440,405	3,949,944	4,665,418	4,799,172	3,440,428	5,581,534	4,577,532	5,495,402	6,141,026
Local donations	-	1,722,139	6,001,755	2,305,525	1,855,157	1,920,552	1,499,113	842,821	596,641	474,930
Fees and admissions	9,940,268	9,359,461	10,338,099	10,067,813	10,486,096	8,560,556	8,515,485	9,437,247	10,698,653	10,528,600
Investment income	308,464	79,198	42,986	49,139	30,611	23,965	22,857	22,967	55,985	134,838
Miscellaneous	2,592,863	801,511	1,338,814	670,226	469,036	409,764	518,243	1,434,980	1,352,049	1,087,690
Total revenues	37,316,413	36,086,686	43,699,813	40,152,605	40,364,485	37,640,308	39,701,653	39,859,772	41,812,198	42,045,966
EXPENDITURES										
Current										
Park operations	4,869,562	5,058,446	5,680,199	5,485,507	5,533,664	5,291,305	5,510,187	5,953,904	5,891,953	5,487,190
Recreation operations	15,853,427	15,294,203	15,442,300	17,815,948	19,072,606	17,203,654	17,207,271	17,832,857	19,933,786	20,855,511
Museum operations	1,720,017	2,104,422	2,410,190	1,900,635	1,760,042	1,956,986	1,290,273	1,271,094	1,102,808	1,111,238
Police operations	2,045,830	1,972,636	2,057,555	1,977,949	2,021,409	1,887,921	1,845,485	1,919,081	1,524,890	1,472,914
Administration	6,820,991	6,993,520	7,441,206	6,602,962	6,751,085	6,717,204	6,546,841	6,966,476	6,878,525	7,191,578
Capital outlay	4,624,330	5,793,496	8,141,287	9,815,740	5,765,423	1,456,853	9,055,652	14,891,936	16,337,161	9,261,841
Debt service										
Principal	6,250,000	5,915,000	5,930,000	5,550,000	7,055,000	6,930,500	7,121,077	6,453,266	6,272,793	6,417,571
Interest	672,577	802,409	560,726	755,737	679,635	782,186	878,015	795,069	1,672,539	1,657,532
Payment to refunding escrow agent	-	-	-	-	-	-	-	-	296,527	-
Total expenditures	42,856,734	43,934,132	47,663,463	49,904,478	48,638,864	42,226,609	49,454,801	56,083,683	59,910,982	53,455,375
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,540,321)	(7,847,446)	(3,963,650)	(9,751,873)	(8,274,379)	(4,586,301)	(9,753,148)	(16,223,911)	(18,098,784)	(11,409,409)

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
OTHER FINANCING SOURCES (USES)										
Bonds issued	\$ 7,240,000	\$ 7,125,000	\$ 11,640,000	\$ 7,660,000	\$ 9,540,000	\$ -	\$ 6,723,120	\$ 15,686,276	\$ 21,071,548	\$ 12,834,056
Issuance of refunding bonds	-	-	-	-	600,000	-	-	-	-	-
Issuance of capital lease obligation	-	-	-	-	-	27,195	94,691	103,623	123,623	-
Issuance of note payable - City of Rockford	-	-	-	-	-	-	3,750,000	-	-	-
Payment to refunding escrow agent	-	-	(567,664)	(526,705)	(569,741)	-	-	(281,890)	(835,062)	-
Discount on insurance of bonds	-	-	-	(18,840)	-	-	-	-	-	-
Redemption of refunded bonds	-	-	(1,800,000)	-	-	-	-	-	-	-
Premium on bonds issued	66,189	86,354	186,040	-	338,859	-	102,802	317,679	127,066	216,684
Transfers in	3,392,978	2,462,545	3,973,382	5,570,107	5,739,623	4,182,814	3,922,953	4,382,104	5,119,358	4,476,604
Transfers (out)	(3,392,978)	(2,462,545)	(3,973,382)	(6,591,964)	(5,145,146)	(4,182,814)	(3,922,953)	(4,382,104)	(5,119,358)	(4,476,604)
Insurance proceeds	-	-	68,240	392,399	144,519	1,097,079	124,782	71,184	114,817	96,065
Sale of capital assets	3,109	3,193	14,566	13,765	36,312	207,850	23,152	1,903	14,875	24,875
Total other financing sources (uses)	7,309,298	7,214,547	9,541,182	6,498,762	10,684,426	1,332,124	10,818,547	15,898,775	20,616,867	13,171,680
NET CHANGE IN FUND BALANCES	\$ 1,768,977	\$ (632,899)	\$ 5,577,532	\$ (3,253,111)	\$ 2,410,047	\$ (3,254,177)	\$ 1,065,399	\$ (325,136)	\$ 2,518,083	\$ 1,762,271
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	18.00%	17.67%	16.41%	15.73%	18.04%	18.97%	19.80%	17.60%	17.60%	18.33%

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
2007	\$ 20,724,784	\$ 20,633,165	99.56%	\$ 34,924	\$ 20,668,089	99.73%
2008	21,804,222	21,675,170	99.41%	8,801	21,683,971	99.45%
2009	22,125,366	22,003,430	99.45%	24,786	22,028,216	99.56%
2010	22,513,392	22,352,642	99.29%	41,842	22,394,484	99.47%
2011	22,820,609	22,700,672	99.47%	23,741	22,724,413	99.58%
2012	23,415,076	23,289,716	99.46%	(4,673)	23,285,043	99.44%
2013	23,733,571	23,581,192	99.36%	(16,771)	23,564,421	99.29%
2014	23,796,501	23,569,089	99.04%	(26,454)	23,542,635	98.93%
2015	23,853,845	23,660,898	99.19%	(49,318)	23,611,580	98.98%
2016	23,819,699	23,705,148	99.52%	(20,151)	23,684,997	99.43%

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
2007	\$ 2,978,945,772	\$ 2,251,829	\$ 2,981,197,601	0.7198	\$ 8,952,545,348	33.3%
2008	3,031,504,655	-	3,031,504,655	0.7319	9,103,617,583	33.3%
2009	2,967,855,990	-	2,967,855,990	0.7455	8,912,480,450	33.3%
2010	2,862,111,986	-	2,862,111,986	0.7869	8,594,930,889	33.3%
2011	2,706,355,707	-	2,706,355,707	0.0700	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	1.1281	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%

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 County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
DISTRICT DIRECT RATES										
Corporate	0.2351	0.2359	0.2430	0.2500	0.2500	0.2545	0.2847	0.3102	0.3184	0.3088
Bonds and interest	0.1704	0.1646	0.1652	0.1763	0.1892	0.2145	0.2396	0.2579	0.2675	0.2667
IMRF	0.0187	0.0207	0.0230	0.0250	0.0311	0.0366	0.0406	0.0396	0.0413	0.0452
Police protection	0.0240	0.0248	0.0250	0.0250	0.0250	0.0250	0.0250	0.0247	0.0250	0.0250
Audit	0.0013	0.0017	0.0016	0.0017	0.0020	0.0024	0.0027	0.0027	0.0027	0.0029
Tort	0.0207	0.0212	0.0214	0.0229	0.0259	0.0305	0.0361	0.0367	0.0383	0.0416
Social security	0.0259	0.0277	0.0277	0.0291	0.0333	0.0387	0.0390	0.0396	0.0433	0.0480
Museum	0.0653	0.0679	0.0684	0.0700	0.0700	0.0700	0.0700	0.0689	0.0700	0.0698
Recreation	0.1204	0.1274	0.1302	0.1469	0.1767	0.2400	0.2800	0.3089	0.3164	0.3065
Special recreation	0.0380	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0394	0.0400	0.0399
TOTAL DISTRICT DIRECT RATES	0.7198	0.7319	0.7455	0.7869	0.8432	0.9522	1.0577	1.1286	1.1629	1.1544
OVERLAPPING RATES										
City of Rockford (including Library)	2.5173	2.5318	2.5606	2.7159	2.9051	3.2600	3.5535	3.7973	3.8791	3.8397
Rockford Township and Rockford Township Roads				0.2043	0.2168	0.2349	0.2587	0.2813	0.2936	0.2942
Rockford Public Schools, District No. 205	5.3381	5.4520	5.5765	6.0152	6.5595	6.6884	7.2301	7.7810	7.9379	7.8031
Winnebago County including Forest Preserve	0.8609	0.8694	0.8793	0.9197	0.9632	1.0495	1.1494	1.2044	1.2187	1.2033
Other	0.8481	0.8685	0.8761	0.8862	0.9115	0.7166	0.7529	0.7894	0.8041	0.8112
TOTAL OVERLAPPING RATES	9.5644	9.7217	9.8925	10.7413	11.5561	11.9494	12.9446	13.8534	14.1334	13.9515

Data Source

Office of the County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2017			2008		
	Equalized Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation
CBL Cherryvale	\$ 12,932,553	1	0.62%	\$ 16,804,933	1	0.60%
Greater Rockford Airport Authority	10,720,338	2	0.52%	13,144,916	3	0.40%
Woodward Inc.	9,609,484	3	0.46%			
Lowes Home Centers Inc.	9,153,990	4	0.44%	15,521,346	2	0.50%
Wesley Willows Corp	6,883,421	5	0.33%			
Forest Plaza LLC	6,637,698	6	0.32%			
Two Star Property Co., Inc.	4,604,767	7	0.22%	6,119,493	4	0.20%
Anderson Rockford Properties	4,289,544	8	0.21%			
MB Rockford State LLC	3,881,798	9	0.19%			
Hamilton Sundstrand Corporation	3,461,781	10	0.17%	4,349,098	9	0.10%
Simon Property Group				5,320,802	5	0.20%
MB Rockford State LLC				4,695,778	6	0.20%
DI Properties				4,176,893	10	0.10%
Anderson Packaging				4,532,869	7	0.20%
WPH Rockford LLC				4,505,010	8	0.20%
	<u>\$ 72,175,374</u>		<u>3.49%</u>	<u>\$ 79,171,138</u>		<u>2.70%</u>

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

Data Sources

Office of the County Clerk and Boone County Clerk

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Note Payable - City of Rockford	Total Primary Government	Percentage of Assessed Value	Per Capita*
	General Obligation Bonds	Capital Lease Obligation				
2008	\$ 13,611,634	\$ -	\$ -	\$ 13,611,634	0.47%	\$ 65.00
2009	14,880,606	-	-	14,880,606	0.49%	71.13
2010	18,414,501	-	-	18,414,501	0.61%	85.86
2011	19,904,773	-	-	19,904,773	0.70%	93.81
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	3,300,000	48,318,925	0.78%	242.25

* See the Schedule of Demographic and Economic Information on page 96 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
2008	\$ 13,611,634	\$ 637,760	\$ 12,973,874	0.15%	\$ 62.25
2009	14,880,606	625,591	14,179,409	0.16%	68.13
2010	18,414,501	614,492	17,630,508	0.20%	82.97
2011	19,904,773	602,989	19,301,784	0.22%	91.24
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	38,242,943	386,283	37,856,660	0.61%	189.79
2017	44,868,174	358,733	44,509,441	0.72%	223.15

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 88 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, 2017

Governmental Unit	Gross Debt	Percentage Debt Applicable to the District (1)	District's Share of Debt (2)
Rockford Park District	\$ 48,318,925	100.00%	\$ 48,318,925
Rockford School District No. 205	171,661,742	88.54%	151,989,306
Harlem School District No. 122	23,416,884	44.84%	10,500,131
Winnebago School District No. 323	1,210,000	15.77%	190,817
Meridian School District No. 223	12,393,942	0.04%	4,958
Belvidere School District No. 100	58,052,294	4.56%	2,647,185
Community College No. 511	83,995,000	37.73%	31,691,314
Winnebago County Forest Preserve District	2,879,090	56.45%	1,625,246
City of Rockford	2,465,000	99.74%	2,458,591
Total overlapping debt	<u>356,073,952</u>		<u>201,107,548</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$ 404,392,877</u></u>		<u><u>\$ 249,426,473</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 2016 Real Property Valuations.

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

Data Sources

Office of the County Clerks of Boone County, Ogle County and Winnebago County.

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Legal debt limit	\$ 84,282,526	\$ 87,395,697	\$ 85,325,860	\$ 82,285,720	\$ 77,807,727	\$ 70,698,007	\$ 64,511,692	\$ 60,647,464	\$ 58,971,076	\$ 59,518,077	
Total net debt applicable to limit	12,957,240	14,179,409	17,630,508	19,242,011	12,280,000	5,245,000	5,280,000	5,100,000	5,285,000	5,320,000	
LEGAL DEBT MARGIN	<u>\$ 71,325,286</u>	<u>\$ 73,216,288</u>	<u>\$ 67,695,352</u>	<u>\$ 63,043,709</u>	<u>\$ 65,527,727</u>	<u>\$ 65,453,007</u>	<u>\$ 59,231,692</u>	<u>\$ 55,547,464</u>	<u>\$ 53,686,076</u>	<u>\$ 54,198,077</u>	
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	15.37%	16.22%	20.66%	16.22%	20.66%	7.42%	8.18%	8.41%	8.96%	8.94%	
										Legal debt margin calculation for fiscal 2016	2.875%
										Equalized assessed value	<u>\$ 2,070,193,990</u>
										Debt limit	\$ 59,518,077
										Debt applicable to limit general obligation bonds	<u>5,320,000</u>
										LEGAL DEBT MARGIN	<u>\$ 54,198,077</u>

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Magic Waters						Golf Courses					
	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
2008	\$ 3,057,493	\$ 2,478,647	\$ 578,846	\$ 465,000	\$ 79,093	\$ 1.06	\$ 2,845,803	\$ 3,024,851	\$ (179,048)	\$ 320,000	\$ 8,960	\$ (0.54)
2009	2,381,116	2,388,762	(7,646)	575,000	211,768	(0.01)	N/A	N/A	N/A	N/A	N/A	N/A
2010	3,235,910	2,403,162	832,748	690,000	142,680	1.00	N/A	N/A	N/A	N/A	N/A	N/A
2011	3,068,448	2,328,918	739,530	565,000	108,535	1.10	N/A	N/A	N/A	N/A	N/A	N/A
2012	3,334,955	2,633,238	701,717	350,000	240,507	1.19	N/A	N/A	N/A	N/A	N/A	N/A
2013	2,330,854	2,104,227	226,627	250,000	224,513	0.48	N/A	N/A	N/A	N/A	N/A	N/A
2014	2,192,077	2,194,519	(2,442)	390,000	215,263	-	N/A	N/A	N/A	N/A	N/A	N/A
2015	2,726,625	2,192,511	534,114	420,000	201,562	0.86	N/A	N/A	N/A	N/A	N/A	N/A
2016	3,044,685	2,550,150	494,535	300,000	272,963	0.86	N/A	N/A	N/A	N/A	N/A	N/A
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

Fiscal Year	Ice Arenas						Indoor Sports Center					
	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
2008	\$ 1,079,129	\$ 1,448,319	\$ (369,190)	\$ 215,000	\$ 87,200	\$ (1.22)	\$ 1,238,896	\$ 1,329,176	\$ (90,280)	\$ 175,000	\$ 93,513	\$ (0.34)
2009	1,084,998	1,499,593	(414,595)	225,000	79,675	(1.36)	1,167,019	1,215,722	(48,703)	200,000	86,775	(0.17)
2010	1,509,388	1,682,198	(172,810)	-	35,506	(4.87)	1,759,125	1,159,075	600,050	215,000	15,510	2.60
2011	1,385,543	1,772,996	(387,453)	-	-	N/A	1,021,470	1,118,227	(96,757)	240,000	38,000	(0.35)
2012	1,325,973	1,789,188	(463,215)	-	26,459	(17.51)	1,031,034	1,131,152	(100,118)	210,000	33,200	(0.41)
2013	1,306,608	1,700,447	(393,839)	-	-	N/A	729,727	728,590	1,137	230,000	29,000	-
2014	1,371,432	1,781,187	(409,755)	265,000	28,574	(1.40)	789,761	782,201	7,560	250,000	24,400	0.03
2015	1,536,816	1,979,207	(442,391)	275,000	22,948	(1.48)	827,405	852,232	(24,827)	265,000	18,775	(0.09)
2016	1,584,296	1,848,252	(263,956)	295,000	2,974	(0.89)	1,569,053	1,545,954	23,099	285,000	12,150	0.08
2017	N/A	N/A	N/A	N/A	N/A	N/A	1,569,242	1,761,957	(192,715)	120,000	3,600	(1.56)

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)
2008	208,132	\$ 2,981,197,601	14,324	8.9%
2009	211,025	3,031,504,655	14,366	14.4%
2010	199,463	2,967,855,900	14,879	15.5%
2011	199,463	2,862,111,986	14,349	12.4%
2012	199,463	2,706,355,707	13,568	11.5%
2013	199,463	2,458,916,643	12,328	11.2%
2014	199,463	2,243,884,947	11,250	9.5%
2015	199,463	2,109,477,022	10,576	6.7%
2016	199,463	2,051,167,849	10,283	6.8%
2017	199,463	2,070,193,990	10,379	6.6%

Note: Personal income data is not available.

Data Sources

(a) 2008-2009 University of Illinois, College of Medicine, 2010-2017 WINGIS from 2010 Census

(b) Illinois Department of Employment Security

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2017			2008		
	Rank	Number of Employees (1)	% of Total City Population	Rank	Number of Employees (2)	% of Total City Population
Rockford Public Schools District No. 205	1	4,800 (3)	2.41%	2	2,952	1.42%
Chrysler LLC	2	4,500	2.26%	1	3,500	1.68%
Swedish American Health System	3	2,600	1.30%	4	2,500	1.20%
Rockford Health System	4	2,500	1.25%	3	2,923	1.40%
OSF St. Anthony's Medical Center	5	2,000	1.00%	7	2,200	1.06%
United Technologies Aerospace Systems	6	2,000	1.00%			
County of Winnebago	7	1,731	0.87%			
United Parcel Service	8	1,200	0.60%	6	2,200 (4)	1.06%
Woodward, Inc.	9	1,200	0.60%	8	1,490	0.72%
AndersonBerecon, Inc.	10	1,200	0.60%			
Hamilton Sunstrand				5	2,300	1.11%
Cadbury Adams				10	750	0.36%
City of Rockford				9	1,207	0.58%

Data Sources

1. Source: 2017 Illinois Manufacturers and Services Directories, the Rockford Area Council of 100, the Illinois Department of Commerce and Economic Activity, and a selected telephone survey.
2. Based on a March, 2008 telephone canvass of employers

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EMPLOYEES										
Regular employees	182	177	183	178	177	173	177	177	176	173
Seasonal employees	1,487	1,341	1,533	1,433	1,463	1,656	1,656	1,460	1,481	1441
FULL-TIME EQUIVALENT EMPLOYEES										
Regular employees	187	181	178	178	177	173	177	178	176	173
Seasonal employees	267	255	262	267	271	259	275	284	295	291
GENERAL GOVERNMENT										
Park operations	59	56	57	58	53	49	57	64	66	60
Recreation operations	286	276	284	291	301	288	301	313	326	328
Police protection										
Administration	36	35	36	35	34	31	31	24	20	18
	73	69	63	61	60	64	63	61	60	58
Total full-time equivalent employees	454	436	440	445	448	432	452	462	471	464

Data Source

District Records

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
RECREATION										
Area served in square miles	125	125	125	125	125	125	125	125	125	125
Residents served	208,000	211,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

Data Sources

2008-2009 - University of Illinois, College of Medicine

2010-2017 - Provided by WinGIS from 2010 Census

**ROCKFORD PARK DISTRICT
ROCKFORD, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PARK OPERATIONS										
Acreage - owned	4,850	4,833	4,879	4,896	4,896	4,929	4,939	4,953	4,953	4,962
Number of parks - owned	174	174	174	176	177	177	177	179	179	181
RECREATION										
Golf courses	5	5	5	5	5	6	6	6	6	6
Ice skating arena - indoor	2	2	2	2	2	2	2	2	2	2
Outdoor swimming pools/beach	4	4	4	4	4	4	4	4	4	4
Indoor playground	1	1	1	1	1	1	1	1	1	1
Community center	1	1	1	1	1	1	1	1	1	1
Tennis courts	94	94	92	90	90	90	88	88	88	87
Pickleball courts	-	-	6	16	16	16	16	16	16	36
Softball/baseball diamonds	100	101	125	125	126	126	126	126	126	136
Soccer fields	79	84	91	91	91	91	91	91	91	108
Greenhouse and gardens	1	1	1	1	1	1	1	1	1	1
Arboretum/prairies	7	7	7	7	7	7	7	7	7	10
Equestrian facility (15+ miles of equestrian trail)	1	1	1	1	1	1	1	1	1	1
Snowmobile trail - 100+ miles	1	1	1	1	1	1	1	1	1	1
Recreation paths - 34.6 miles	34.6	34.6	34.6	38.7	38.7	38.7	38.7	38.7	38.7	43.8
Boat docks/launches	17	17	17	17	23	23	23	23	23	26
Excursion boat	1	1	1	1	1	1	1	1	1	1
Trolley	1	1	1	1	1	1	1	1	1	1
Sportscore Sports Field complexes	2	2	2	2	2	2	2	2	2	2
Outdoor education center	2	2	2	2	2	2	2	2	2	2
Magic Waters - water theme park	1	1	1	1	1	1	1	1	1	1
Minor league baseball stadium	1	1	1	1	1	1	1	1	1	1
Soccer/football stadium	1	1	1	1	1	1	1	1	1	1
Observatory	1	1	1	1	1	1	1	1	1	1
BMX Track	1	1	1	1	1	1	1	1	1	1
Dog parks	2	2	2	3	3	3	3	3	3	3
Volleyball - indoor	4	4	4	4	4	4	4	4	4	16
Volleyball - sand	7	7	7	7	7	7	7	7	7	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