



**PALATINE PARK DISTRICT**

**ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**COOK COUNTY, ILLINOIS**

**PALATINE PARK DISTRICT, ILLINOIS**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

Prepared by:  
Michael G. Clark  
Executive Director

Phil Costello  
Superintendent of Finance

**PALATINE PARK DISTRICT, ILLINOIS**

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**PALATINE PARK DISTRICT, ILLINOIS**

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## **INTRODUCTORY SECTION**

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Principal Officials**

**December 31, 2022**

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**LEGISLATIVE**

**BOARD OF PARK COMMISSIONERS**

Susan Gould, President

Greg Sammons, Vice President

Jennifer Rogers, Commissioner

Joe Petricca, Commissioner

Terry Ruff, Commissioner

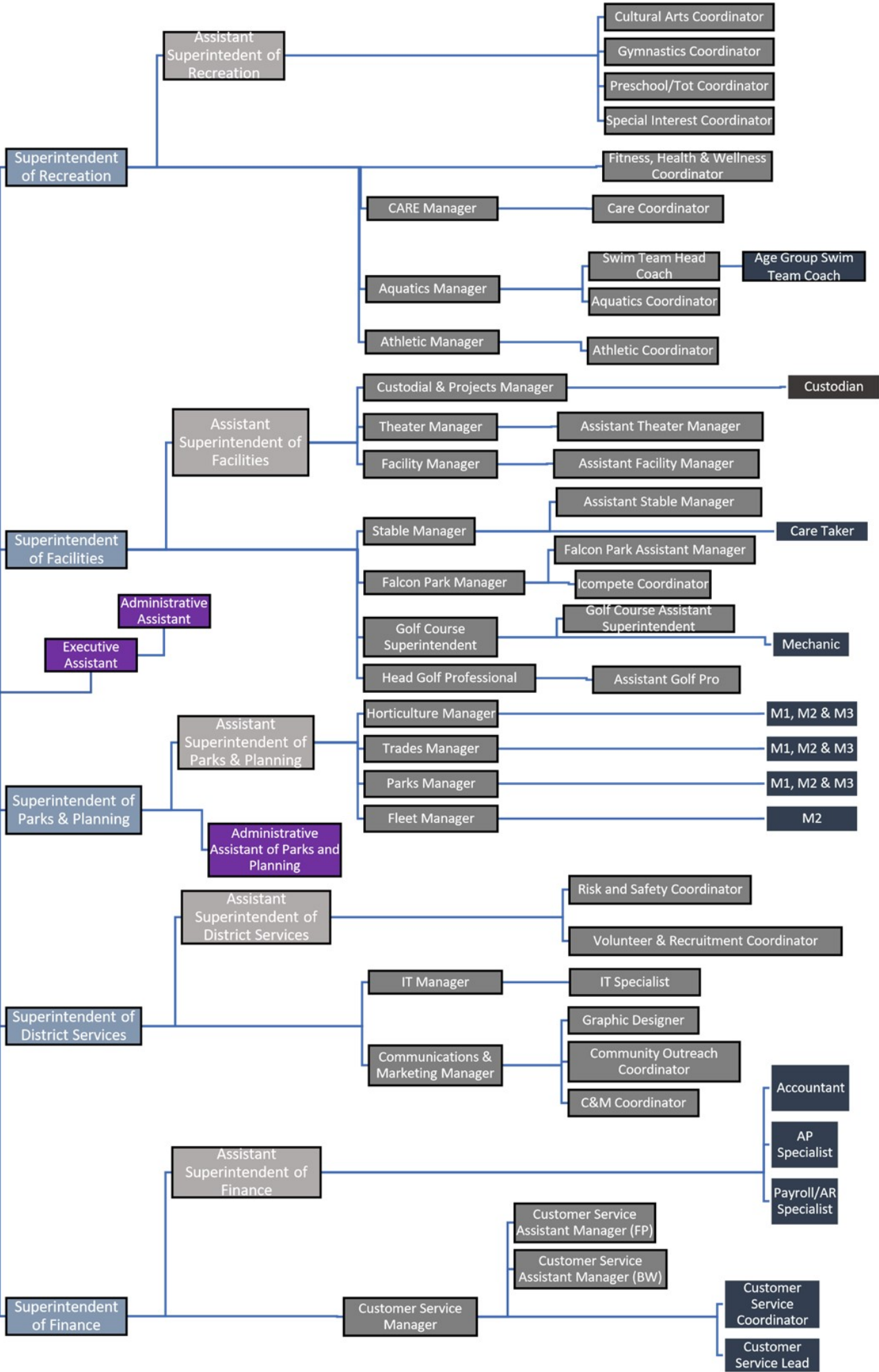
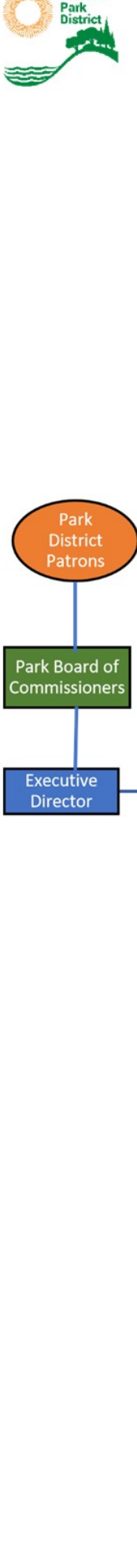
**ADMINISTRATIVE**

Michael G. Clark, Executive Director

Trish Feid, Secretary and Executive Assistant

**FINANCE DEPARTMENT**

Phil Costello, Superintendent of Finance





July 14, 2023

Board of Commissioners  
Palatine Park District  
Palatine, Illinois

Honorable Commissioners:

The Annual Comprehensive Financial Report of the Palatine Park District for the fiscal year ended December 31, 2022, is hereby respectfully and formally submitted. Chapter 70, Section 1205, of the Illinois Compiled Statutes requires that Districts secure a licensed public accountant to perform an annual audit of the financial statements. The firm of Lauterbach & Amen, LLP, performed this audit for the fiscal year ended December 31, 2022. Their unmodified opinion on the basic financial statements is presented for this report. The Annual Comprehensive Financial Report is filed with the State Comptroller within six months after the close of the fiscal year. This report was prepared by the District's Finance Department who is responsible for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures. We believe the information, as presented, is accurate in all material aspects; it is presented in a manner designated to fairly set forth the financial position and results of District operations as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs.

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

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

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



## **The Reporting Entity and its Services**

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

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

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

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

## **Economic Condition and Outlook**

In addition to being one of the larger suburbs north of Chicago, it is also one of the more financially stable. The District corporate offices and commercial developments have a solid middle class residential base. Palatine's unemployment rate at the end of 2022 was 3.2% compared to a statewide rate of 4.6%. 2021 EAV decreased by \$179,909,216, 7.3%. The District monitors potential tax policy changes by the State of Illinois through its relationship with the Illinois Association of Park District that allows the District to formulate contingency plans to operate without disruptions.

### ***Long-Term Planning***

2020 represented the fifth year for the District's Comprehensive Master Plan which was approved in the fall of 2015. As a result, the District has become far more strategically focused. Staff continues to review and assess the goals and objectives at the individual, department, and agency levels, to assure that the path to meeting the ten-year plan is maintained. Additionally, the District diligently monitors their 10-year Capital Repair and Replacement plan to help it manage resources during the annual budget preparation process. This allows for the assessment of the timeline and the availability of funds for the projects listed in both plans.

District board and staffs' primary focus is to operate efficiently and effectively, while providing the greatest value for its residents. For this reason, staff is constantly evaluating its program offerings while senior leadership, in cooperation with the Board, carefully discusses any large capital undertaking. Ongoing initiatives were developed, which along with the short-term initiatives, formed the basis for the 2022 annual budget. Mid and long-term goals will continue to be integrated into future budgets. To fund future activities and capital initiatives, the District has accumulated healthy reserves and all indications are that reserves will continue to grow in the near future. In addition to the use of unrestricted reserves, each year the District has access to unreserved debt capacity; therefore, the District may issue new debt as needed to fund its multi-year capital improvement plan.

### ***Risk Management***

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

### ***Pension Benefits***

The District participates in the Illinois Municipal Retirement Fund (IMRF), a 414(h) plan and employees may participate in a 457-retirement plan. The IMRF plan is a two-tiered defined benefit plan with the employee contributing 4.5 percent of their annual salary. Vesting for Tier 1 and Tier 2 occurs after eight and ten years respectively. The District is responsible for most of the pension costs and all of the disability and death benefits. The IMRF estimates that the pension is 98.2% funded as of 12/31/22. Employer rates are based on actuarially calculated annual required contributions (ARC). The District's employer rate in 2022 was 9.08%, down from the 2021 rate of 11.69%.

The District is also a trustee of the 457 plan, a defined contribution plan, which is fully funded by the employees. The District does not pay retirement health benefits.

### **Significant Events and Accomplishments**

The Palatine Park District continues to move forward with strategic capital projects to offer our patrons access to enjoy exceptional recreation experiences. In 2022, the District's major accomplishments included; Finch park playground and basketball courts, Community Center and Senior Center roof replacements, and Birchwood Aquatics Center lap pool and diving well rehabilitation.

The Palatine Park District continues to be one of the premier parks and recreation providers in Illinois. The District has designed program offerings to target national and regional trends that have resulted in exceptional recreation opportunities while maintaining low tax increases and modest increases in user fee revenues.

The District takes an active role in the community. The staff represents the District and often takes on leadership roles in Rotary, Kiwanis, the Chamber of Commerce and other local community groups. The District is very proud to take honor in having met the standards and best practices set forth in the state program for the outstanding delivery of park and recreation services. The Palatine Park District is an Illinois distinguished accredited agency. In 2018, the District received the IAPD/IPRA Joint Distinguished Park and Recreation Award.

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

### ***Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada (GFOA) has created a program which recognizes deserving Agencies when they prepare quality financial statements. Since 2016 the District has received the Excellence in Financial Reporting award for its Annual Comprehensive Financial Report. Each year the District will make every effort to continue to achieve this lofty goal. With this year's submission, staff is confident that it will achieve this distinction.

***Acknowledgments***

This financial report was compiled through the greatly appreciated extreme efforts and diligence of the entire staff of Finance Department, and the cooperation and assistance rendered by other departments. We also wish to express appreciation to the Board of Commissioners for their leadership, interest and support in planning and conducting the financial operations of the Palatine Park District in a responsible and progressive manner.

Respectfully submitted,



Phil Costello  
Superintendent of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Palatine Park District Illi-  
nois**

For its Annual Comprehensive

Financial Report

For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

July 14, 2023

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Palatine Park District, Illinois, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Palatine Park District, Illinois, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Required Supplementary Information**

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



### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Palatine Park District, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **PALATINE PARK DISTRICT, ILLINOIS**

### **Management's Discussion and Analysis**

**December 31, 2022**

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Our discussion and analysis of the Palatine Park District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the District's transmittal letter which can be found in the introductory section of this report and the financial statements which can be found in the basic financial statements section of this report.

#### **FINANCIAL HIGHLIGHTS**

- The District's net position increased by \$7,059,707 or 10.0 percent, as a result of this year's operations.
- During the year, government-wide revenues totaled \$27,035,284, while expenses totaled \$19,975,577 resulting in an increase to net position of \$7,059,707.
- The District's net position totaled \$77,353,585 on December 31, 2022, which includes \$52,903,989 net investment in capital assets, \$11,954,316 subject to external restrictions, and \$12,495,280 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported an increase this year of \$4,246,448 or 27.9 percent, resulting in ending fund balance of \$19,449,476.
- The District retired \$1,515,000 in outstanding long-term debt during the year and did not issue new debt.

#### **USING THIS ANNUAL REPORT**

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

#### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business.

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

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

# **PALATINE PARK DISTRICT, ILLINOIS**

## **Management's Discussion and Analysis**

**December 31, 2022**

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### **USING THIS ANNUAL REPORT - Continued**

#### **Government-Wide Financial Statements - Continued**

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

#### **Fund Financial Statements**

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

#### **Governmental Funds**

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

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

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

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

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's I.M.R.F. employee pension obligations as well as budgetary comparison schedules for the General Fund and Recreation Fund.

**PALATINE PARK DISTRICT, ILLINOIS**

**Management's Discussion and Analysis**

**December 31, 2022**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred outflows by \$77,353,585.

	Net Position	
	2022	2021
Current and Other Assets	\$ 48,945,616	40,611,473
Capital Assets	68,904,665	68,299,612
Total Assets	117,850,281	108,911,085
Deferred Outflows	1,975,857	3,903,638
Total Assets/ Deferred Outflows	119,826,138	112,814,723
Long-Term Liabilities	15,942,583	17,530,639
Other Liabilities	3,962,407	3,795,931
Total Liabilities	19,904,990	21,326,570
Deferred Inflows	22,567,563	21,194,275
Total Liabilities/ Deferred Inflows	42,472,553	42,520,845
Net Position		
Net Investment in Capital Assets	52,903,989	50,824,019
Restricted	11,954,316	7,382,625
Unrestricted	12,495,280	12,087,234
Total Net Position	77,353,585	70,293,878

A large portion of the District's net position, \$52,903,989, or 68.3 percent reflects its net investment in capital assets (for example, land, construction in progress, land improvements, buildings and improvements, furniture and fixtures, and equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$11,954,316, or 15.5 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining 16.2 percent, or \$12,495,280, represents unrestricted net position and may be used to meet the District's ongoing obligations to citizens and creditors.

**PALATINE PARK DISTRICT, ILLINOIS**

**Management's Discussion and Analysis**

**December 31, 2022**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

	Changes in Net Position	
	2022	2021
Revenues		
Program Revenues		
Charges for Services	\$ 7,793,512	6,399,149
Operating Grants/Contributions	10,502	34,661
Capital Grants/Contributions	—	200,000
General Revenues		
Property Taxes	17,193,294	15,727,537
Replacement Taxes	606,591	315,621
Other General Revenues	1,431,385	807,572
Total Revenues	<u>27,035,284</u>	<u>23,484,540</u>
Expenses		
General Government	7,409,274	4,886,366
Culture and Recreation	11,943,725	12,338,255
Interest on Long-Term Debt	622,578	646,308
Total Expenses	<u>19,975,577</u>	<u>17,870,929</u>
Change in Net Position	7,059,707	5,613,611
Net Position - Beginning	<u>70,293,878</u>	<u>64,680,267</u>
Net Position - Ending	<u><u>77,353,585</u></u>	<u><u>70,293,878</u></u>

Net position of the District's governmental activities increased by 10.0 percent (\$70,293,878 in 2021 compared to \$77,353,585 in 2022). Unrestricted net position, the portion of net position that can be used to finance day-to-day operations without constraints, totaled \$12,495,280 at December 31, 2022, and increased from the prior year.

**PALATINE PARK DISTRICT, ILLINOIS**

**Management's Discussion and Analysis**

**December 31, 2022**

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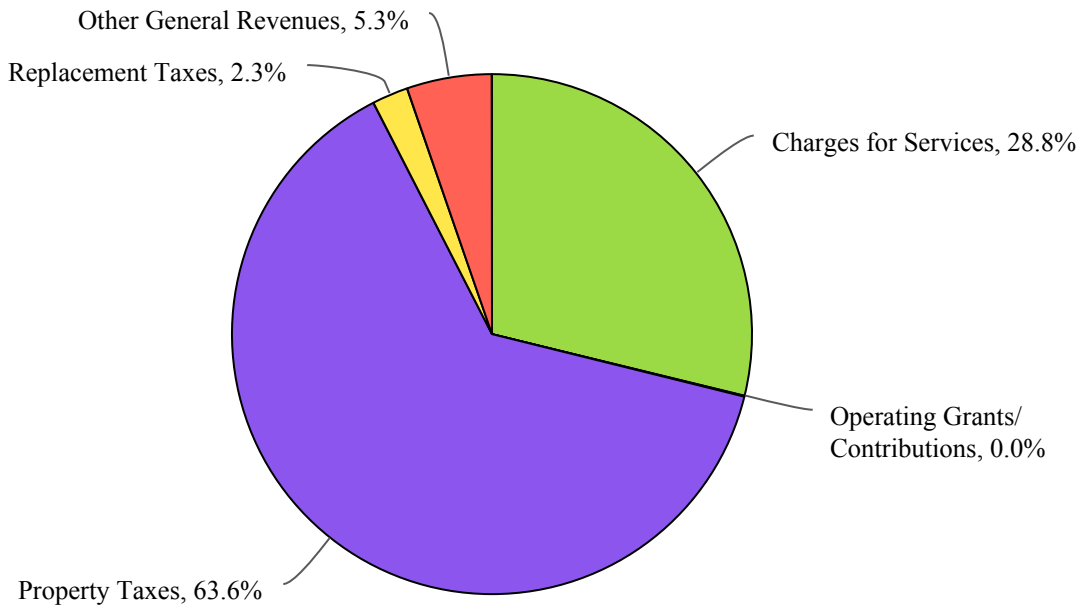
**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

**Governmental Activities**

Revenues for governmental activities totaled \$27,035,284, while the cost of all governmental functions totaled \$19,975,577. This results in an increase of \$7,059,707. In 2021, revenues of \$23,484,540 exceeded expenses of \$17,870,929, resulting in an increase of \$5,613,611. Most notably, the major contributor to the increase in net position was property taxes which increased by \$1,465,757, followed by charges for services which increased by \$1,394,363 in 2022 compared to 2021

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

**Revenues by Source - Governmental Activities**



**PALATINE PARK DISTRICT, ILLINOIS**

**Management’s Discussion and Analysis**

**December 31, 2022**

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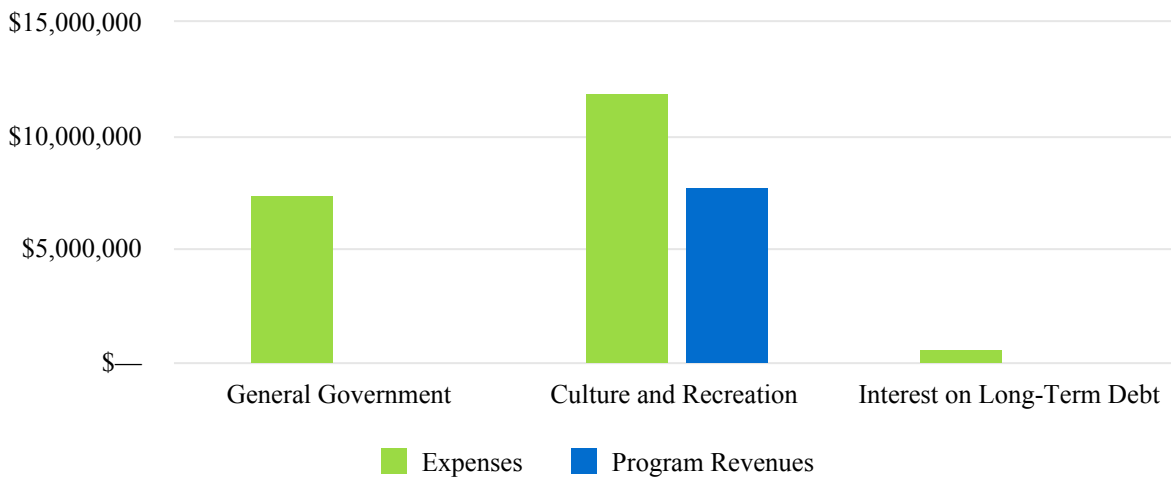
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

**Governmental Activities - Continued**

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

**Expenses and Program Revenues - Governmental Activities**



**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

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

**Governmental Funds**

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

The District’s governmental funds reported combining ending fund balances of \$24,283,306, which is an increase of \$4,099,544, or 20.3 percent, from last year’s total of \$20,183,762. Of the \$24,283,306, \$14,398,757, or approximately 59.3 percent, of the fund balance constitutes unassigned fund balance.

The General Fund reported an increase in fund balance for the year of \$4,246,448, or 27.9 percent. Revenues came in \$2,173,746 over budget and the District was budgeting for an increase in fund balance of \$622,869. The operating increase to the fund was \$3,079,949. This increase was due to an increase in property taxes and an increase of replacement taxes.



# PALATINE PARK DISTRICT, ILLINOIS

## Management's Discussion and Analysis

December 31, 2022

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

#### Governmental Funds - Continued

The General Fund is the chief operating fund of the District. At December 31, 2022, unassigned fund balance in the General Fund was \$14,354,509, which represents 73.8 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents 163.9 percent of total General Fund expenditures.

At December 31, 2022, the Recreation Fund had a decrease in fund balance of \$288,406. The District budgeted for an increase in the Recreation fund balance of \$636,387 that reflected plans to return to normal operations. The actual decrease to the fund balance is the result of funds being transferred to the Acquisition and Improvement Fund to support related capital projects.

The Bond and Interest Fund had an increase in fund balance of \$165,564. Ending fund balance of \$690,051 is restricted to future debt service related expenditures.

The Acquisition and Improvements Fund recognized a modest increase in fund balance after General Fund and Recreation Fund transfers of \$2,830,294 were approved.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

During the current fiscal year, the General Fund had no budget amendments. Actual revenues for the year totaled \$11,835,439 compared to budgeted revenues of \$9,661,693. Property tax revenues were \$1,198,129 over budget and replacement taxes were also over budget by \$464,501. General Fund actual expenditures for the year were \$1,449,833 under budget (\$8,755,490 actual compared to \$10,205,323 budgeted).

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

The District's net investment in capital assets for its governmental activities as of December 31, 2022 was \$68,904,665 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, furniture and fixtures, and equipment and vehicles).

**PALATINE PARK DISTRICT, ILLINOIS**

**Management's Discussion and Analysis**

**December 31, 2022**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued**

**Capital Assets - Continued**

	Capital Assets - Net of Depreciation	
	2022	2021
Land	\$ 33,737,978	33,737,978
Construction in Progress	261,727	3,561,022
Land Improvements	12,221,081	9,793,859
Buildings and Improvements	20,655,917	18,853,781
Furniture and Fixtures	47,825	32,848
Equipment and Vehicles	1,980,137	2,320,124
Total	<u>68,904,665</u>	<u>68,299,612</u>

This year's major additions included:

Construction in Progress	\$ 261,727
Buildings and Improvements	2,656,843
Furniture and Fixtures	29,929
Equipment and Vehicles	<u>368,246</u>
	<u>3,316,745</u>

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Management's Discussion and Analysis**

**December 31, 2022**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued**

**Debt Administration**

At year-end, the District had total outstanding debt of \$15,870,000 as compared to \$17,385,000 the previous year, a decrease of \$1,515,000. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2022	2021
General Obligation Bonds	<u>\$ 15,870,000</u>	<u>17,385,000</u>

The District maintains an Aa1 rating from Moody's for general obligation debt. State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 2.875 percent of its total assessed valuation. The current debt limit for the District is \$66,141,863.

Additional information on the District's long-term debt can be found in Note 3 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal-year 2023 budget, tax rates, and fees that will be charged for its governmental activities. Those factors included the economy, unemployment rates, CPI, etc. Although the District considers the economy in setting rates and fees during the budget process, the District does not feel that these economic factors will have a significant bearing on District operations in the coming year.

**REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

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

Government-Wide Financial Statements

Fund Financial Statements

Governmental Funds

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Statement of Net Position**

**December 31, 2022**

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**See Following Page**

**PALATINE PARK DISTRICT, ILLINOIS**

**Statement of Net Position**

**December 31, 2022**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 21,689,899
Receivables - Net of Allowances	22,648,905
Due from Other Governments	82,211
Inventory	4,850
Prepays	56,012
Total Current Assets	<u>44,481,877</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	33,999,705
Depreciable	98,603,995
Accumulated Depreciation	<u>(63,699,035)</u>
Total Capital Assets	68,904,665
Other Assets	
Net Pension Asset - IMRF	<u>4,463,739</u>
Total Noncurrent Assets	<u>73,368,404</u>
Total Assets	<u>117,850,281</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	1,328,811
Deferred Items - RBP	141,135
Unamortized Refunding Loss	505,911
Total Deferred Outflows of Resources	<u>1,975,857</u>
Total Assets and Deferred Outflows of Resources	<u>119,826,138</u>

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

<b>LIABILITIES</b>		Governmental Activities
Current Liabilities		
Accounts Payable		\$ 778,935
Accrued Payroll		466,200
Accrued Interest Payable		43,338
Other Payables		1,040,066
Current Portion of Long-Term Debt		1,633,868
Total Current Liabilities		<u>3,962,407</u>
Noncurrent Liabilities		
Compensated Absences Payable		295,473
Total OPEB Liability - RBP		700,523
General Obligation Bonds Payable - Net		14,946,587
Total Noncurrent Liabilities		<u>15,942,583</u>
Total Liabilities		<u>19,904,990</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes		17,503,079
Deferred Items - IMRF		4,906,084
Deferred Items - RBP		158,400
Total Deferred Inflows of Resources		<u>22,567,563</u>
Total Liabilities and Deferred Inflows of Resources		<u>42,472,553</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets		52,903,989
Restricted		
Special Levies		
Liability Insurance		223,055
Museum		288,638
Special Recreation		1,516,271
Retirement		9,279,639
Debt Service		646,713
Unrestricted		<u>12,495,280</u>
Total Net Position		<u>77,353,585</u>

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Statement of Activities**

**For the Fiscal Year Ended December 31, 2022**

	Program Revenues				Net (Expenses)/ Revenues
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities					
General Government	\$ 7,409,274	—	10,148	—	(7,399,126)
Culture and Recreation	11,943,725	7,793,512	354	—	(4,149,859)
Interest on Long-Term Debt	622,578	—	—	—	(622,578)
<b>Total Governmental Activities</b>	<b>19,975,577</b>	<b>7,793,512</b>	<b>10,502</b>	<b>—</b>	<b>(12,171,563)</b>
		General Revenues			
		Taxes			
		Property Taxes			17,193,294
		Intergovernmental - Unrestricted			
		Replacement Taxes			606,591
		TIF Surplus from Village			252,947
		Interest			249,031
		Miscellaneous			929,407
					<u>19,231,270</u>
		Change in Net Position			7,059,707
		Net Position - Beginning			<u>70,293,878</u>
		Net Position - Ending			<u><u>77,353,585</u></u>

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



**PALATINE PARK DISTRICT, ILLINOIS**

**Balance Sheet - Governmental Funds**

**December 31, 2022**

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**See Following Page**

**PALATINE PARK DISTRICT, ILLINOIS**

**Balance Sheet - Governmental Funds**

**December 31, 2022**

	General	Special Revenue Recreation
<b>ASSETS</b>		
Cash and Investments	\$ 17,278,208	2,791,253
Receivables - Net of Allowances		
Taxes	12,346,734	5,927,805
Accounts	73,104	110,836
Notes	410,291	—
Due from Other Governments	82,211	—
Inventories	—	4,850
Prepays	56,012	—
Total Assets	<u>30,246,560</u>	<u>8,834,744</u>
<b>LIABILITIES</b>		
Accounts Payable	186,299	433,404
Accrued Payroll	369,482	96,718
Other Payables	356,291	1,037,937
Total Liabilities	<u>912,072</u>	<u>1,568,059</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	9,885,012	4,683,425
Total Liabilities and Deferred Inflows of Resources	<u>10,797,084</u>	<u>6,251,484</u>
<b>FUND BALANCES</b>		
Nonspendable	56,012	4,850
Restricted	5,038,955	288,638
Assigned	—	2,289,772
Unassigned	14,354,509	—
Total Fund Balances	<u>19,449,476</u>	<u>2,583,260</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>30,246,560</u>	<u>8,834,744</u>

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

Debt Service	Capital Projects	Nonmajor	
Bond and Interest	Acquisition and Improvements	Special Recreation	Totals
166,829	259,609	1,194,000	21,689,899
2,644,277	—	1,017,015	21,935,831
—	—	118,843	302,783
—	—	—	410,291
—	—	—	82,211
—	—	—	4,850
—	—	—	56,012
2,811,106	259,609	2,329,858	44,481,877
—	159,232	—	778,935
—	—	—	466,200
—	56,129	—	1,450,357
—	215,361	—	2,695,492
2,121,055	—	813,587	17,503,079
2,121,055	215,361	813,587	20,198,571
—	—	—	60,862
690,051	—	1,516,271	7,533,915
—	—	—	2,289,772
—	44,248	—	14,398,757
690,051	44,248	1,516,271	24,283,306
2,811,106	259,609	2,329,858	44,481,877

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

**PALATINE PARK DISTRICT, ILLINOIS**

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

**December 31, 2022**

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<b>Total Governmental Fund Balances</b>	\$ 24,283,306
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	68,904,665
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	4,463,739
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(3,577,273)
Deferred Items - OPEB	(17,265)
Revenues are recognized for governmental activities when earned regardless of availability.	410,291
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable	(369,341)
Total OPEB Liability - RBP	(700,523)
General Obligation Bonds Payable - Net	(16,506,587)
Unamortized Refunding Loss	505,911
Accrued Interest Payable	(43,338)
<b>Net Position of Governmental Activities</b>	<u><u>77,353,585</u></u>

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended December 31, 2022**

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**See Following Page**

**PALATINE PARK DISTRICT, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended December 31, 2022**

	General	Special Revenue Recreation
Revenues		
Taxes	\$ 10,204,620	3,924,210
Charges for Services	—	7,951,290
Intergovernmental	616,739	354
Interest	249,031	—
Miscellaneous	765,049	173
Total Revenues	<u>11,835,439</u>	<u>11,876,027</u>
Expenditures		
General Government	7,560,666	—
Culture and Recreation	—	9,809,019
Capital Outlay	—	34,606
Debt Service		
Principal Retirement	730,000	—
Interest and Fiscal Charges	464,824	—
Total Expenditures	<u>8,755,490</u>	<u>9,843,625</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,079,949</u>	<u>2,032,402</u>
Other Financing Sources (Uses)		
Transfers In	1,166,499	—
Transfers Out	—	(2,320,808)
	<u>1,166,499</u>	<u>(2,320,808)</u>
Net Change in Fund Balances	4,246,448	(288,406)
Fund Balances - Beginning	<u>15,203,028</u>	<u>2,871,666</u>
Fund Balances - Ending	<u><u>19,449,476</u></u>	<u><u>2,583,260</u></u>

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

Debt Service	Capital Projects	Nonmajor	Totals
Bond and Interest	Acquisition and Improvements	Special Recreation	
2,237,410	—	827,054	17,193,294
—	—	—	7,951,290
—	252,947	—	870,040
—	—	—	249,031
—	164,185	—	929,407
2,237,410	417,132	827,054	27,193,062
—	—	—	7,560,666
—	—	385,878	10,194,897
—	3,203,178	—	3,237,784
785,000	—	—	1,515,000
120,347	—	—	585,171
905,347	3,203,178	385,878	23,093,518
1,332,063	(2,786,046)	441,176	4,099,544
—	2,830,294	—	3,996,793
(1,166,499)	—	(509,486)	(3,996,793)
(1,166,499)	2,830,294	(509,486)	—
165,564	44,248	(68,310)	4,099,544
524,487	—	1,584,581	20,183,762
690,051	44,248	1,516,271	24,283,306

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the  
Governmental Funds to the Statement of Activities - Governmental Activities  
For the Fiscal Year Ended December 31, 2022**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 4,099,544**

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

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

Capital Outlays	3,316,745
Depreciation Expense	(2,659,181)
Disposals - Cost	(69,101)
Disposals - Accumulated Depreciation	16,590

An addition to a net pension asset is not considered to be an increase in a  
financial asset in the governmental funds.

Change in Net Pension Asset - IMRF	3,539,121
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The net effect of deferred outflows (inflows) of resources related  
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(2,476,285)
Change in Deferred Items - RBP	(17,265)

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

	(157,778)
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The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Change in Total OPEB Liability - RBP	2,154
Change in Compensated Absences Payable	(12,430)
Retirement of Debt - Net	1,550,846
Amortization of Refunding Loss	(75,929)

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

	<u>2,676</u>
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**Changes in Net Position of Governmental Activities**

	<u><u>7,059,707</u></u>
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# **PALATINE PARK DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2022**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Palatine Park District (District) of Illinois operates under a commissioner-director form of government and is governed by an elected five-member board. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the District's accounting policies established in GAAP and used by the District are described below.

#### **REPORTING ENTITY**

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

#### **BASIS OF PRESENTATION**

##### **Government-Wide Statements**

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (general government, culture and recreation, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, certain intergovernmental revenues, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

# PALATINE PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Government-Wide Statements - Continued

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

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

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

##### Fund Financial Statements

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

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

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

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

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

# PALATINE PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

##### Governmental Funds

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

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

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains two special revenue funds. The Recreation Fund, a major fund, is used to account for the operations of the District's recreational programs and concessions. Financing is provided from an annual property tax levy restricted by the state for recreation purposes and fees and charges for programs and activities assigned for recreation purposes.

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

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

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

##### Measurement Focus

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

# PALATINE PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

##### Measurement Focus - Continued

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

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

##### Basis of Accounting

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

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

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

# **PALATINE PARK DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2022**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

##### **Cash and Investments**

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

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

##### **Interfund Receivables, Payables and Activity**

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

##### **Receivables**

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

##### **Prepays/Inventories**

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

**Capital Assets**

Capital assets purchased or acquired with an original cost of more than \$250,000 for infrastructure, \$50,000 for buildings and building improvements and \$10,000 for furniture, fixtures, equipment, and vehicles and an estimated useful life in excess of three years, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

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

**Deferred Outflows/Inflows of Resources**

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

**Compensated Absences**

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

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

**Long-Term Obligations**

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

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

**Net Position**

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

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

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

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

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

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

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

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

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

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND**

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

Fund	Excess
Debt Service	\$ 84

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

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

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

The Illinois Public Reserves Investment Management Trust (IPRIME) is an investment opportunity and cash management service for Illinois Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, and all other political corporations or subdivisions of the State of Illinois. Participation in IPRIME is voluntary. IPRIME is not registered with the SEC as an Investment Company. Investments in IPRIME are valued at the share price, the price for which the investment could be sold.



# PALATINE PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

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

At year-end, the carrying amount of the District's deposits totaled \$9,790,629 and the bank balances totaled \$9,975,884. At year-end, the District also had \$11,899,270 invested in IPRIME, which has an average maturity of less than one year.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District limits its exposure to interest rate risk by structuring its portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. The District's investment in IPRIME has an average maturity of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. In order to limit its exposure to credit risk, the District's investment policy limits the District's investments to the safest types of securities: pre-qualified financial institutions, broker/dealers, intermediaries and advisors with which the District does business and diversifies the investment portfolio so that potential losses on individual securities will be minimized. At year-end, the District's investment in IPRIME was rated AAAM by Standard & Poor's.

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

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral to be held in the name of the District by the District's agent with a market value of at least 102% for all bank balances in excess of federal depository insurance. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Bond and Interest	\$ 1,166,499
Acquisition and Improvements	Recreation	2,320,808
Acquisition and Improvements	Nonmajor	<u>509,486</u>
		<u><u>3,996,793</u></u>

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

**PROPERTY TAXES**

Property taxes for 2022 attach as an enforceable lien on January 1 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments on or about March 1 and August 1. The County collects such taxes and remits them periodically.

**NOTES RECEIVABLE**

The District has executed notes receivable to various organizations utilizing and seeking to improve District facilities. As of December 31, 2022, these notes range in principal from \$54,000 to \$120,000 and total \$410,291 which is recorded in the General Fund. Payments are due in annual installments ranging from \$6,000 to \$120,000 over the remaining life of the notes receivable with interest ranging from zero to 4.25%, maturing between 2023 and 2031.

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 33,737,978	—	—	33,737,978
Construction in Progress	3,561,022	261,727	3,561,022	261,727
	<u>37,299,000</u>	<u>261,727</u>	<u>3,561,022</u>	<u>33,999,705</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	26,667,782	3,461,257	—	30,129,039
Buildings and Improvements	48,947,129	2,756,608	—	51,703,737
Furniture and Fixtures	3,211,165	29,929	—	3,241,094
Equipment and Vehicles	13,230,980	368,246	69,101	13,530,125
	<u>92,057,056</u>	<u>6,616,040</u>	<u>69,101</u>	<u>98,603,995</u>
<b>Less Accumulated Depreciation</b>				
Land Improvements	16,873,923	1,034,035	—	17,907,958
Buildings and Improvements	30,093,348	954,472	—	31,047,820
Furniture and Fixtures	3,178,317	14,952	—	3,193,269
Equipment and Vehicles	10,910,856	655,722	16,590	11,549,988
	<u>61,056,444</u>	<u>2,659,181</u>	<u>16,590</u>	<u>63,699,035</u>
<b>Total Net Depreciable Capital Assets</b>	<u>31,000,612</u>	<u>3,956,859</u>	<u>52,511</u>	<u>34,904,960</u>
<b>Total Net Capital Assets</b>	<u>68,299,612</u>	<u>4,218,586</u>	<u>3,613,533</u>	<u>68,904,665</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 831,392
Culture and Recreation	<u>1,827,789</u>
	<u>2,659,181</u>

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**SHORT-TERM DEBT**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The schedule below details the changes in short-term debt for the year-ended December 31, 2022:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Taxable General Obligation Limited Tax Park Bonds of 2022, due in one installment of \$1,176,000 plus interest at 1.20% on April 8, 2022.	\$ —	1,176,000	1,176,000	—

**LONG-TERM DEBT**

**Alternate Revenue Source Bonds**

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

The remaining pledge of the General Fund, if necessary, is taken from revenues available to the District in the following order: unbudgeted miscellaneous revenues, investment income and replacement tax. Should that be insufficient, the District would charge such excess to the General Fund's accumulated fund balance. The remaining pledge of moneys lawfully available in the District's corporate fund and proceeds of the District's non-referendum general obligation bonds to be issued is displayed in Legal Debt Margin, debt service requirements to maturity, with the pledge expiring December 15, 2036, when the bonds are paid off.

**General Obligation Bonds**

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**General Obligation Bonds - Continued**

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Limited Tax Park Bonds of 2012A, due in annual installments of \$305,000 to \$415,000 plus interest at 2.00% to 3.50% through December 15, 2023.	\$ 810,000	—	395,000	415,000
General Obligation Alternate Revenue Source Refunding Park Bonds of 2015C, due in annual installments of \$65,000 to \$1,145,000 plus interest at 2.00% to 4.00% through December 1, 2026.	4,085,000	—	500,000	3,585,000
General Obligation Limited Tax Refunding Park Bonds of 2015D, due in annual installments of \$390,000 to \$845,000 plus interest at 2.50% to 4.00% through December 1, 2027.	2,735,000	—	390,000	2,345,000
General Obligation Alternate Revenue Source Park Bonds of 2017, due in annual installments of \$500,000 to \$1,070,000 plus interest at 3.00% to 4.00% through December 1, 2036.	8,820,000	—	—	8,820,000
General Obligation Alternate Revenue Source Refunding Park Bonds of 2019A, due in annual installments of \$215,000 to \$240,000 plus interest at 1.72% through December 15, 2025.	935,000	—	230,000	705,000
	<u>17,385,000</u>	<u>—</u>	<u>1,515,000</u>	<u>15,870,000</u>

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**Long-Term Liability Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 356,911	24,860	12,430	369,341	73,868
Total OPEB Liability - RBP	702,677	—	2,154	700,523	—
General Obligation/Alternative					
Revenue Source (ARS) Bonds	17,385,000	—	1,515,000	15,870,000	1,560,000
Plus: Unamortized Premium	672,433	—	35,846	636,587	—
	<u>19,117,021</u>	<u>24,860</u>	<u>1,565,430</u>	<u>17,576,451</u>	<u>1,633,868</u>

The compensated absences, the net pension liability, and the total OPEB liability are liquidated by the General and Recreation Funds. Payments on the general obligation/alternative revenue source (ARS) bonds are made by the General Fund and Bond and Interest Fund.

**Legal Debt Margin**

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**Legal Debt Margin - Continued**

Assessed Valuation - 2021	<u>\$ 2,300,586,536</u>
Legal Debt Limit - 2.875% of Assessed Value	66,141,863
Amount of Debt Applicable to Limit	<u>2,760,000</u>
Legal Debt Margin	<u>63,381,863</u>
Non-Referendum Legal Debt Limit	
0.575% of Assessed Valuation	13,228,373
Amount of Debt Applicable to Debt Limit	<u>2,760,000</u>
Non-Referendum Legal Debt Margin	<u>10,468,373</u>

**Debt Service Requirements to Maturity**

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

Fiscal Year	General	
	Obligation/ARS	Bonds
	Principal	Interest
2023	\$ 1,560,000	532,338
2024	1,585,000	484,582
2025	1,625,000	432,616
2026	1,435,000	389,012
2027	1,345,000	345,962
2028	805,000	303,500
2029	830,000	279,350
2030	855,000	254,450
2031	880,000	228,800
2032	915,000	198,000
2033	950,000	161,400
2034	990,000	123,400
2035	1,025,000	83,800
2036	<u>1,070,000</u>	<u>42,800</u>
Totals	<u>15,870,000</u>	<u>3,860,010</u>

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets was comprised of the following as of December 31, 2022:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 68,904,665
Plus: Unamortized Refunding Loss	505,911
Less Capital Related Debt:	
General Obligation Limited Tax Refunding Park Bonds of 2012A	(415,000)
General Obligation ARS Refunding Park Bonds of 2015C	(3,585,000)
General Obligation Limited Tax Refunding Park Bonds of 2015D	(2,345,000)
General Obligation ARS Park Bonds of 2017	(8,820,000)
General Obligation Refunding Park ARS Bonds of 2019A	(705,000)
Unamortized Bond Premium	<u>(636,587)</u>
Net Investment in Capital Assets	<u><u>52,903,989</u></u>

**FUND BALANCE CLASSIFICATIONS**

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

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

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

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



**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS - Continued**

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

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

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

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

	General	Special Revenue Recreation	Debt Service Bond and Interest	Capital Projects Acquisition and Construction	Nonmajor Special Recreation	Totals
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Inventories	\$ —	4,850	—	—	—	4,850
Prepays	56,012	—	—	—	—	56,012
	<u>56,012</u>	<u>4,850</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>60,862</u>
<b>Restricted</b>						
Property Tax Levies						
Special Recreation	—	—	—	—	1,516,271	1,516,271
Liability Insurance	223,055	—	—	—	—	223,055
Retirement	4,815,900	—	—	—	—	4,815,900
Museum	—	288,638	—	—	—	288,638
Debt Service	—	—	690,051	—	—	690,051
	<u>5,038,955</u>	<u>288,638</u>	<u>690,051</u>	<u>—</u>	<u>1,516,271</u>	<u>7,533,915</u>
<b>Assigned</b>						
Recreational Programming, Facility Maintenance, and Future Recreation Capital	—	2,289,772	—	—	—	2,289,772
<b>Unassigned</b>	<u>14,354,509</u>	<u>—</u>	<u>—</u>	<u>44,248</u>	<u>—</u>	<u>14,398,757</u>
<b>Total Fund Balances</b>	<u>19,449,476</u>	<u>2,583,260</u>	<u>690,051</u>	<u>44,248</u>	<u>1,516,271</u>	<u>24,283,306</u>

# **PALATINE PARK DISTRICT, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2022**

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### **NOTE 4 - OTHER INFORMATION**

#### **CONTINGENT LIABILITIES**

##### **Litigation**

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

##### **Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

#### **JOINT GOVERNED ORGANIZATION - NORTHWEST SPECIAL RECREATION ASSOCIATION**

The District is a member of the Northwest Special Recreation Association (NWSRA), which was organized by 18 area park districts in order to provide special recreation programs to the physically and mentally handicapped within their districts and to share the expenses of such programs on a cooperative basis. Each member district's fiscal year 2022 contribution is based on its pro rata share of 75% of the assessed valuation and 25% of the gross populations. For the year ended December 31, 2022, the District contributed \$385,350 to NWSRA.

NWSRA's Board of Directors consists of one member from each participating district. The Board of Directors is the governing body of NWSRA and is responsible for establishing all major policies and changes therein and for approving all budgets, capital outlay, programming and master plans. The District is not financially accountable for the activities of NWSRA and, accordingly, NWSRA has not been included in the accompanying financial statements. Complete financial statements for NWSRA can be obtained from NWSRA administrative offices at 3000 Central Road, Rolling Meadows, Illinois 60008.

# PALATINE PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### NOTE 4 - OTHER INFORMATION - Continued

#### RISK MANAGEMENT

The District is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The District has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

#### Metro Risk Management Agency

Since 1987, the District has been a member of the Metro Risk Management Agency (MRMA), a joint risk management pool of park districts through which property, general liability, automobile liability, crime, boiler and machinery, public officials and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the District.

As a member of MRMA's Program, the District is represented on the MRMA Board of Directors and is entitled to one vote. The relationship between the District and MRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body. The District is contractually obligated to make all annual and supplementary contributions to MRMA, to report claims on a timely basis, cooperate with MRMA, its claims administrator and attorneys in claims investigation and settlement and to follow risk management procedures as outlined by MRMA.

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

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

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**RISK MANAGEMENT - Continued**

**Metro Risk Management Agency - Continued**

The following represents a summary of MRMA's Property/Casualty Program's balance sheet at March 31, 2022 (the most recent information available) and the statement of revenues and expenses for the period ended March 31, 2022. The District made payments of \$804,339 to MRMA during the year ended December 31, 2022.

Assets	\$	2,741,333
Liabilities		679,982
Member Balances		1,814,516
Revenues		2,006,378
Expenditures		3,427,562

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

**Intergovernmental Personnel Benefit Cooperative**

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

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

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN**

**Illinois Municipal Retirement Fund (IMRF)**

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

# PALATINE PARK DISTRICT, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

##### Illinois Municipal Retirement Fund (IMRF) - Continued

###### Plan Descriptions

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

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

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

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

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

*Plan Membership.* As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	121
Inactive Plan Members Entitled to but not yet Receiving Benefits	118
Active Plan Members	<u>116</u>
Total	<u><u>355</u></u>

*Contributions.* As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year-ended December 31, 2022, the District's contribution was 9.08% of covered payroll.

*Net Pension (Asset).* The District's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	3.25%
Inflation	2.25%

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

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

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Discount Rate**

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

**Discount Rate Sensitivity**

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 88,120	(4,463,739)	(8,138,415)



**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Changes in the Net Pension (Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 37,800,835	38,725,453	(924,618)
Changes for the Year:			
Service Cost	524,243	—	524,243
Interest on the Total Pension Liability	2,691,152	—	2,691,152
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	844,933	—	844,933
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,026,896	(1,026,896)
Contributions - Employees	—	274,579	(274,579)
Net Investment Income	—	6,480,584	(6,480,584)
Benefit Payments, Including Refunds of Employee Contributions	(1,887,224)	(1,887,224)	—
Other (Net Transfer)	—	(182,610)	182,610
Net Changes	2,173,104	5,712,225	(3,539,121)
Balances at December 31, 2021	39,973,939	44,437,678	(4,463,739)

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

For the year ended December 31, 2022, the District recognized pension revenue of \$35,940. At December 31, 2022, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 754,532	—	754,532
Change in Assumptions	—	(83,605)	(83,605)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(4,822,479)	(4,822,479)
Total Pension Expense to be Recognized in Future Periods	754,532	(4,906,084)	(4,151,552)
Pension Contributions Made Subsequent to Measurement Date	574,279	—	574,279
 Total Deferred Amounts Related to IMRF	 1,328,811	 (4,906,084)	 (3,577,273)

\$574,279 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended December 31, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2023	\$ (716,114)
2024	(1,568,902)
2025	(1,126,363)
2026	(740,170)
2027	—
Thereafter	—
Total	<u>(4,151,549)</u>

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**General Information about the OPEB Plan**

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

*Benefits Provided.* The District provides post-employment health care and life insurance benefits to its retirees. To be eligible for implicit benefits, an employee must qualify for retirement under the District's retirement plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. The retirees pay 100% of the blended premium.

*Plan Membership.* As of December 31, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>113</u>
Total	<u>117</u>

**Total OPEB Liability**

The District's total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Total OPEB Liability - Continued**

*Actuarial Assumptions and Other Inputs - Continued.*

Inflation	3.00%
Salary Increases	4.00%
Discount Rate	4.31%
Healthcare Cost Trend Rates	
PPO	6.00% to an Ultimate of 4.50% in 2037
HMO	5.50% to an Ultimate of 4.50% in 2037
Retirees' Share of Benefit-Related Costs	100% of the benefit related costs

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

Mortality rates were based on the PubG.H-2010(B) Mortality Table - General with future mortality improvement using Scale MP-2020.

**Change in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at December 31, 2021	\$ 702,677
Changes for the Year:	
Service Cost	65,827
Interest on the Total OPEB Liability	13,833
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	159,730
Changes of Assumptions or Other Inputs	(179,270)
Benefit Payments	(62,274)
Other Changes	—
Net Changes	<u>(2,154)</u>
Balance at December 31, 2022	<u>700,523</u>

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

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

The discount rate used to measure the total pension liability was 4.31%, while the prior valuation used 2.06%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB Liability	\$ 746,238	700,523	659,003

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

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

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 766,534	700,523	645,015

**PALATINE PARK DISTRICT, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**OTHER POST-EMPLOYMENT BENEFITS - Continued**

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

For the year ended December 31, 2022, the District recognized OPEB expense of \$77,385. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Totals
Difference Between Expected and Actual Experience	\$ 141,135	—	141,135
Change in Assumptions	—	(158,400)	(158,400)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—
Total Deferred Amounts Related to OPEB	<u>141,135</u>	<u>(158,400)</u>	<u>(17,265)</u>

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

Fiscal Year	Deferred (Inflows) of Resources
2023	\$ (2,275)
2024	(2,275)
2025	(2,275)
2026	(2,275)
2027	(2,275)
Thereafter	<u>(5,890)</u>
	<u>(17,265)</u>

**SUBSEQUENT EVENT**

On January 24, 2023 the District issued \$1,280,000 of Taxable General Obligation Limited Tax Park Bonds of 2023, due on April 7, 2023 plus interest at 4.55%.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

**PALATINE PARK DISTRICT, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
December 31, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 640,668	\$ 651,736	\$ 11,068	\$ 5,325,582	12.24%
2015	704,561	704,561	—	5,587,325	12.61%
2016	757,493	757,493	—	5,682,615	13.33%
2017	727,676	727,676	—	5,676,104	12.82%
2018	725,361	725,361	—	5,821,527	12.46%
2019	664,526	1,751,361	1,086,835	5,913,082	29.62%
2020	672,765	1,258,728	585,963	5,677,340	22.17%
2021	713,294	1,026,896	313,602	6,101,749	16.83%
2022	573,658	574,279	621	6,324,672	9.08%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

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



**PALATINE PARK DISTRICT, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Schedule of Changes in the Employer's Net Liability/(Asset)**

**December 31, 2022**

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

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

2015	2016	2017	2018	2019	2020	2021
603,528	612,893	594,566	562,367	611,958	614,420	524,243
2,157,573	2,290,534	2,361,792	2,414,339	2,421,420	2,597,525	2,691,152
151,888	(752,695)	100,340	(1,177,998)	1,047,912	125,092	—
37,583	(113,753)	(966,365)	931,218	—	(186,721)	844,933
(1,092,407)	(1,180,992)	(1,219,742)	(1,527,464)	(1,566,562)	(1,740,408)	(1,887,224)
1,858,165	855,987	870,591	1,202,462	2,514,728	1,409,908	2,173,104
29,088,994	30,947,159	31,803,146	32,673,737	33,876,199	36,390,927	37,800,835
30,947,159	31,803,146	32,673,737	33,876,199	36,390,927	37,800,835	39,973,939
704,561	757,493	727,676	725,361	1,751,361	1,258,728	1,026,896
257,971	259,574	268,266	266,840	272,931	293,600	274,579
126,918	1,766,840	4,465,008	(1,500,950)	5,076,184	4,793,748	6,480,584
(1,092,407)	(1,180,992)	(1,219,742)	(1,527,464)	(1,566,562)	(1,740,408)	(1,887,224)
40,277	(376,167)	(464,507)	(270,570)	(50,812)	454,161	(182,610)
37,320	1,226,748	3,776,701	(2,306,783)	5,483,102	5,059,829	5,712,225
25,448,536	25,485,856	26,712,604	30,489,305	28,182,522	33,665,624	38,725,453
25,485,856	26,712,604	30,489,305	28,182,522	33,665,624	38,725,453	44,437,678
5,461,303	5,090,542	2,184,432	5,693,677	2,725,303	(924,618)	(4,463,739)
82.35%	83.99%	93.31%	83.19%	92.51%	102.45%	111.17 %
5,587,325	5,682,615	5,676,104	5,821,527	5,913,082	5,677,340	6,101,749
97.74%	89.58%	38.48%	97.80%	46.09%	(16.29%)	(73.16)%

**PALATINE PARK DISTRICT, ILLINOIS**

**Retiree Benefit Plan**

**Schedule of Changes in the Employer's Total OPEB Liability**

**December 31, 2022**

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	<u>12/31/2018</u>
Total OPEB Liability	
Service Cost	\$ 12,965
Interest	22,746
Change of Assumptions or Other Inputs	(28,720)
Difference Between Expected and Actual Experience	—
Benefit Payments	(48,779)
Other Changes	—
Net Change in Total OPEB Liability	<u>(41,788)</u>
Total OPEB Liability - Beginning	<u>685,090</u>
Total OPEB Liability - Ending	<u><u>643,302</u></u>
Covered-Employee Payroll	\$ 5,112,412
Total OPEB Liability as a Percentage of Covered-Employee Payroll	12.58%

Notes:

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

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

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in years 2018 through 2022.

12/31/2019	12/31/2020	12/31/2021	12/31/2022
12,588	14,278	14,055	65,827
25,336	18,109	17,114	13,833
58,208	88,288	(113,239)	(179,270)
—	76,325	—	159,730
(50,362)	(56,286)	(45,039)	(62,274)
—	—	—	—
45,770	140,714	(127,109)	(2,154)
643,302	689,072	829,786	702,677
689,072	829,786	702,677	700,523
5,130,725	5,172,990	8,267,734	5,723,903
13.43%	16.04%	8.50%	12.24%

**PALATINE PARK DISTRICT, ILLINOIS**

**General Fund**

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

**For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 9,006,491	9,006,491	10,204,620
Intergovernmental			
Replacement Taxes	142,090	142,090	606,591
Grants	—	—	10,148
Interest	190,000	190,000	249,031
Miscellaneous	323,112	323,112	765,049
Total Revenues	<u>9,661,693</u>	<u>9,661,693</u>	<u>11,835,439</u>
Expenditures			
General Government	9,010,241	9,010,241	7,560,666
Debt Service			
Principal Retirement	730,000	730,000	730,000
Interest and Fiscal Charges	465,082	465,082	464,824
Total Expenditures	<u>10,205,323</u>	<u>10,205,323</u>	<u>8,755,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(543,630)	(543,630)	3,079,949
Other Financing Sources			
Transfers In	1,166,499	1,166,499	1,166,499
Net Change in Fund Balance	<u>622,869</u>	<u>622,869</u>	4,246,448
Fund Balance - Beginning			<u>15,203,028</u>
Fund Balance - Ending			<u>19,449,476</u>

**PALATINE PARK DISTRICT, ILLINOIS**

**Recreation Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 4,439,557	4,439,557	3,924,210
Charges for Services	8,812,042	8,812,042	7,951,290
Intergovernmental	700	700	354
Miscellaneous	—	—	173
Total Revenues	<u>13,252,299</u>	<u>13,252,299</u>	<u>11,876,027</u>
Expenditures			
Culture and Recreation	11,520,962	11,520,962	9,809,019
Capital Outlay	94,950	94,950	34,606
Total Expenditures	<u>11,615,912</u>	<u>11,615,912</u>	<u>9,843,625</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,636,387	1,636,387	2,032,402
Other Financing (Uses)			
Transfers Out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(2,320,808)</u>
Net Change in Fund Balance	<u>636,387</u>	<u>636,387</u>	<u>(288,406)</u>
Fund Balance - Beginning			<u>2,871,666</u>
Fund Balance - Ending			<u><u>2,583,260</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such schedules include:

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

## **INDIVIDUAL FUND SCHEDULES**

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### **GENERAL FUND**

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

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### **SPECIAL REVENUE FUNDS**

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

#### **Recreation Fund**

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

#### **Special Recreation Fund**

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

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### **DEBT SERVICE FUND**

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

#### **Bond and Interest Fund**

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

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### **CAPITAL PROJECTS FUND**

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

#### **Acquisition and Improvement Fund**

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

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**PALATINE PARK DISTRICT, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual**

**For the Fiscal Year Ended December 31, 2022**

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	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
Personnel Services	\$ 5,772,172	5,772,172	4,912,493
Supplies and Commodities	756,218	756,218	524,487
Contracted Services	2,411,551	2,411,551	2,072,076
Repairs and Maintenance	70,300	70,300	51,610
Total General Government	9,010,241	9,010,241	7,560,666
Debt Service			
Principal Retirement	730,000	730,000	730,000
Interest and Fiscal Charges	465,082	465,082	464,824
Total Debt Service	1,195,082	1,195,082	1,194,824
Total Expenditures	10,205,323	10,205,323	8,755,490

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**PALATINE PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund  
Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Taxes			
Property Taxes	\$ 4,439,557	4,439,557	3,924,210
Charges for Services			
Registration and Lesson Fees	5,829,793	5,829,793	5,219,059
Daily Fees and Ticket Sales	947,091	947,091	863,660
Golf Fees and Admission	1,188,916	1,188,916	1,305,948
Other Program Revenues	286,340	286,340	127,007
Rentals	534,937	534,937	420,556
Concession Sales	12,830	12,830	12,070
Special Events	12,135	12,135	2,990
Total Charges for Services	8,812,042	8,812,042	7,951,290
Intergovernmental			
Grants and Donations	700	700	354
Miscellaneous	—	—	173
Total Revenues	13,252,299	13,252,299	11,876,027

**PALATINE PARK DISTRICT, ILLINOIS**

**Recreation - Special Revenue Fund  
Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Culture and Recreation			
Personnel Services	\$ 7,720,180	7,720,180	6,590,671
Supplies and Commodities	1,025,674	1,025,674	840,199
Contracted Services	2,329,136	2,329,136	2,016,854
Repairs and Maintenance	445,972	445,972	361,295
Total Culture and Recreation	11,520,962	11,520,962	9,809,019
Capital Outlay			
Capital Improvements	94,950	94,950	34,606
Total Expenditures	11,615,912	11,615,912	9,843,625

**PALATINE PARK DISTRICT, ILLINOIS**

**Bond and Interest - Debt Service Fund**

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

**For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,102,009	2,102,009	2,237,410
Expenditures			
Debt Service			
Principal Retirement	785,000	785,000	785,000
Interest and Fiscal Charges	120,263	120,263	120,347
Total Expenditures	905,263	905,263	905,347
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,196,746	1,196,746	1,332,063
Other Financing (Uses)			
Transfers Out	(1,166,499)	(1,166,499)	(1,166,499)
Net Change in Fund Balance	30,247	30,247	165,564
Fund Balance - Beginning			524,487
Fund Balance - Ending			690,051

**PALATINE PARK DISTRICT, ILLINOIS**

**Acquisition and Improvement - Capital Projects Fund**

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

**For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Intergovernmental			
TIF Surplus from Village	\$ 107,000	107,000	252,947
Miscellaneous	121,421	121,421	164,185
Total Revenues	228,421	228,421	417,132
Expenditures			
Capital Outlay	4,513,402	4,513,402	3,203,178
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,284,981)	(4,284,981)	(2,786,046)
Other Financing Sources			
Transfers In	1,250,000	1,250,000	2,830,294
Net Change in Fund Balance	(3,034,981)	(3,034,981)	44,248
Fund Balance - Beginning			—
Fund Balance - Ending			44,248

**PALATINE PARK DISTRICT, ILLINOIS**

**Special Recreation - Special Revenue Fund**

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

**For the Fiscal Year Ended December 31, 2022**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 765,000	765,000	827,054
Expenditures			
Culture and Recreation			
Contracted Services	480,992	480,992	385,878
Excess (Deficiency) of Revenues Over (Under) Expenditures	284,008	284,008	441,176
Other Financing (Uses)			
Transfers Out	(250,000)	(250,000)	(509,486)
Net Change in Fund Balance	<u>34,008</u>	<u>34,008</u>	(68,310)
Fund Balance - Beginning			<u>1,584,581</u>
Fund Balance - Ending			<u><u>1,516,271</u></u>

## **SUPPLEMENTAL SCHEDULES**

**PALATINE PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Limited Tax Park Bonds of 2012A**

**December 31, 2022**

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

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2023	<u>\$ 415,000</u>	<u>12,450</u>	<u>427,450</u>	2023	<u>6,225</u>	2023	<u>6,225</u>



**PALATINE PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Source Refunding Park Bonds of 2015C**

**December 31, 2022**

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

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2023	\$ 525,000	117,000	642,000	2023	58,500	2023	58,500
2024	945,000	101,250	1,046,250	2024	50,625	2024	50,625
2025	970,000	63,450	1,033,450	2025	31,725	2025	31,725
2026	1,145,000	34,350	1,179,350	2026	17,175	2026	17,175
	<u>3,585,000</u>	<u>316,050</u>	<u>3,901,050</u>		<u>158,025</u>		<u>158,025</u>

**PALATINE PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Limited Tax Refunding Park Bonds of 2015D**

**December 31, 2022**

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

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2023	390,000	72,262	462,262	2023	36,131	2023	36,131
2024	405,000	56,662	461,662	2024	28,331	2024	28,331
2025	415,000	46,538	461,538	2025	23,269	2025	23,269
2026	290,000	36,162	326,162	2026	18,081	2026	18,081
2027	845,000	27,462	872,462	2027	13,731	2027	13,731
	<u>2,345,000</u>	<u>239,086</u>	<u>2,584,086</u>		<u>119,543</u>		<u>119,543</u>

**PALATINE PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Source Park Bonds of 2017**

**December 31, 2022**

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

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2023	\$ —	318,500	318,500	2023	159,250	2023	159,250
2024	—	318,500	318,500	2024	159,250	2024	159,250
2025	—	318,500	318,500	2025	159,250	2025	159,250
2026	—	318,500	318,500	2026	159,250	2026	159,250
2027	500,000	318,500	818,500	2027	159,250	2027	159,250
2028	805,000	303,500	1,108,500	2028	151,750	2028	151,750
2029	830,000	279,350	1,109,350	2029	139,675	2029	139,675
2030	855,000	254,450	1,109,450	2030	127,225	2030	127,225
2031	880,000	228,800	1,108,800	2031	114,400	2031	114,400
2032	915,000	198,000	1,113,000	2032	99,000	2032	99,000
2033	950,000	161,400	1,111,400	2033	80,700	2033	80,700
2034	990,000	123,400	1,113,400	2034	61,700	2034	61,700
2035	1,025,000	83,800	1,108,800	2035	41,900	2035	41,900
2036	1,070,000	42,800	1,112,800	2036	21,400	2036	21,400
	<u>8,820,000</u>	<u>3,268,000</u>	<u>12,088,000</u>		<u>1,634,000</u>		<u>1,634,000</u>

**PALATINE PARK DISTRICT, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Source Refunding Park Bonds of 2019A**

**December 31, 2022**

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

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2023	\$ 230,000	12,126	242,126	2023	6,063	2023	6,063
2024	235,000	8,170	243,170	2024	4,085	2024	4,085
2025	240,000	4,128	244,128	2025	2,064	2025	2,064
	<u>705,000</u>	<u>24,424</u>	<u>729,424</u>		<u>12,212</u>		<u>12,212</u>

## **STATISTICAL SECTION (Unaudited)**

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***  
**December 31, 2022 (Unaudited)**

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**See Following Page**

**PALATINE PARK DISTRICT, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***  
**December 31, 2022 (Unaudited)**

	2013	2014	2015**
<b>Governmental Activities</b>			
Net Investment in Capital Assets	\$ 46,740,117	47,260,725	52,462,909
Restricted	1,470,558	1,447,791	1,963,486
Unrestricted	30,842,969	16,817,140	13,809,478
Total Governmental Activities	<u>79,053,644</u>	<u>65,525,656</u>	<u>68,235,873</u>
<b>Business-Type Activities</b>			
Net Investment in Capital Assets	2,750,817	3,171,415	—
Unrestricted	<u>(1,739,480)</u>	<u>(1,801,948)</u>	<u>—</u>
Total Business-Type Activities	<u>1,011,337</u>	<u>1,369,467</u>	<u>—</u>
<b>Primary Government</b>			
Net Investment in Capital Assets	49,490,934	50,432,140	52,462,909
Restricted	1,470,558	1,447,791	1,963,486
Unrestricted	<u>29,103,489</u>	<u>15,015,192</u>	<u>13,809,478</u>
Total Primary Government	<u><u>80,064,981</u></u>	<u><u>66,895,123</u></u>	<u><u>68,235,873</u></u>

\*Accrual Basis of Accounting

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

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

Data Source: Audited Financial Statements

2016	2017	2018	2019	2020	2021	2022
54,283,777	60,935,864	52,666,687	48,600,674	49,622,317	50,824,019	52,903,989
3,864,641	4,151,160	6,837,787	6,930,022	7,989,867	7,382,625	11,954,316
13,027,148	3,084,860	3,244,692	7,137,875	7,068,083	12,087,234	12,495,280
71,175,566	68,171,884	62,749,166	62,668,571	64,680,267	70,293,878	77,353,585
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
54,283,777	60,935,864	52,666,687	48,600,674	49,622,317	50,824,019	52,903,989
3,864,641	4,151,160	6,837,787	6,930,022	7,989,867	7,382,625	11,954,316
13,027,148	3,084,860	3,244,692	7,137,875	7,068,083	12,087,234	12,495,280
71,175,566	68,171,884	62,749,166	62,668,571	64,680,267	70,293,878	77,353,585



**PALATINE PARK DISTRICT, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 8,762,685	7,820,413	6,658,485	7,498,688	9,500,848	8,459,833	13,304,266	6,629,288	4,886,366	7,409,274
Culture and Recreation	8,615,377	9,451,670	12,235,718	13,228,014	14,912,921	18,812,094	10,553,980	10,529,551	12,338,255	11,943,725
Interest on Long-Term Debt	822,594	761,354	369,888	497,446	896,438	790,548	748,786	687,484	646,308	622,578
Total Governmental Activities Expenses	18,200,656	18,033,437	19,264,091	21,224,148	25,310,207	28,062,475	24,607,032	17,846,323	17,870,929	19,975,577
<b>Business-Type Activities</b>										
Stables	722,976	556,434	—	—	—	—	—	—	—	—
Palatine Hills Golf Course	1,339,726	1,111,248	—	—	—	—	—	—	—	—
Total Business-Type Activities Expenses	2,062,702	1,667,682	—	—	—	—	—	—	—	—
<b>Total Primary Government Expenses</b>	<b>20,263,358</b>	<b>19,701,119</b>	<b>19,264,091</b>	<b>21,224,148</b>	<b>25,310,207</b>	<b>28,062,475</b>	<b>24,607,032</b>	<b>17,846,323</b>	<b>17,870,929</b>	<b>19,975,577</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
Culture and Recreation	6,697,103	5,336,345	7,489,710	7,649,088	7,644,765	7,967,721	8,033,299	3,136,516	6,399,149	7,793,512
Operating Grants	5,210	13,446	—	—	7,967,721	—	29,929	4,973	34,661	10,502
Capital Grants and Donations	—	—	68,124	—	—	—	17,840	364,791	200,000	—
Culture and Recreation	6,702,313	5,349,791	7,557,834	7,649,088	15,612,486	7,967,721	8,081,068	3,506,280	6,633,810	7,804,014
Total Governmental Activities Program Revenues										
<b>Business-Type Activities</b>										
Charges for Services - Palatine Hills Golf Course	1,143,252	1,112,582	—	—	—	—	—	—	—	—
Charges for Services - Stables	649,788	639,607	—	—	—	—	—	—	—	—
Total Business-Type Activities Expenses	1,793,040	1,752,189	—	—	—	—	—	—	—	—
<b>Total Primary Government Revenues</b>	<b>8,495,353</b>	<b>7,101,980</b>	<b>7,557,834</b>	<b>7,649,088</b>	<b>15,612,486</b>	<b>7,967,721</b>	<b>8,081,068</b>	<b>3,506,280</b>	<b>6,633,810</b>	<b>7,804,014</b>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Revenues (Expenses)										
Governmental Activities	\$ (11,498,343)	(12,683,646)	(11,706,257)	(13,575,060)	(9,697,721)	(20,094,754)	(16,525,964)	(14,340,043)	(11,237,119)	(12,171,563)
Business-Type Activities	(269,662)	84,307	—	—	—	—	—	—	—	—
Total Primary Government Net Revenues (Expenses)	(11,768,005)	(12,599,339)	(11,706,257)	(13,575,060)	(9,697,721)	(20,094,754)	(16,525,964)	(14,340,043)	(11,237,119)	(12,171,563)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	12,673,433	13,174,627	13,472,658	13,782,432	14,153,383	14,436,921	14,754,715	15,237,847	15,727,537	17,193,294
Replacement	157,706	162,340	153,147	153,339	198,571	148,461	165,033	191,719	315,621	606,591
Other	130,313	—	—	—	—	—	—	—	—	—
Intergovernmental - Unrestricted	—	—	—	48,871	52,100	132,218	214,211	419,942	251,291	252,947
Investment Income	54,438	(218,258)	68,355	158,852	230,015	317,785	337,324	165,234	129,270	249,031
Miscellaneous	713,190	(436,546)	1,308,644	969,899	331,412	321,741	502,616	336,997	427,011	929,407
Transfers	84,446	(277,048)	1,210,034	—	—	—	—	—	—	—
Total Governmental Activities	13,813,526	12,405,115	16,212,838	15,113,393	14,965,481	15,357,126	15,973,899	16,351,739	16,850,730	19,231,270
Business-Type Activities										
Investment Income	263	382	—	—	—	—	—	—	—	—
Miscellaneous	—	17,616	—	—	—	—	—	—	—	—
Transfers	(84,446)	318,280	(1,210,034)	—	—	—	—	—	—	—
Total Business-Type Activities	(84,183)	336,278	(1,210,034)	—	—	—	—	—	—	—
Total Primary Government	13,729,343	12,741,393	15,002,804	15,113,393	14,965,481	15,357,126	15,973,899	16,351,739	16,850,730	19,231,270
Changes in Net Position										
Governmental Activities	2,315,183	(278,531)	4,506,581	1,538,333	5,267,760	(4,737,628)	(552,065)	2,011,696	5,613,611	7,059,707
Business-Type Activities	(353,845)	420,785	(1,210,034)	—	—	—	—	—	—	—
Total Primary Government Changes in Net Position	1,961,338	142,254	3,296,547	1,538,333	5,267,760	(4,737,628)	(552,065)	2,011,696	5,613,611	7,059,707

\*Accrual Basis of Accounting  
The District closed its enterprise funds to the Recreation Fund as of January 1, 2015.  
Data Source: Audited Financial Statements

**PALATINE PARK DISTRICT, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**December 31, 2022 (Unaudited)**

	2013	2014	2015
General Fund			
Nonspendable			
Advances	\$ —	29,848	—
Prepaid Items	29,848	44,244	141,888
Restricted	—	—	1,421,561
Unassigned	9,673,445	9,192,963	6,230,125
Total General Fund	<u>9,703,293</u>	<u>9,267,055</u>	<u>7,793,574</u>
All Other Governmental Funds			
Nonspendable			
Working Cash	175,721	175,721	—
Inventory	—	—	—
Prepaid	—	—	4,321
Restricted			
Employee Retirement	477,877	516,143	—
Audit	13,918	13,919	—
Museum	41,363	35,785	11,797
Special Recreation	173,541	265,261	309,347
Debt Service	230,391	207,795	220,781
Liability Insurance	411,930	408,888	—
Assigned			
Recreation Programs	6,505,603	7,328,638	4,011,220
Capital Projects	64,319	62,318	5,637,160
Unassigned			
Capital Projects	—	—	—
Special Revenue	—	(213,829)	—
Total All Other Governmental Funds	<u>8,094,663</u>	<u>8,800,639</u>	<u>10,194,626</u>
Total All Governmental Funds	<u><u>17,797,956</u></u>	<u><u>18,067,694</u></u>	<u><u>17,988,200</u></u>

\*Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

2016	2017	2018	2019	2020	2021	2022
—	—	—	—	—	—	—
150,112	151,578	195,261	150,302	147,258	37,110	56,012
2,656,694	2,656,694	5,348,446	5,348,446	6,245,103	5,104,078	5,038,955
5,101,343	5,880,326	4,064,722	5,904,319	6,909,009	10,061,840	14,354,509
7,908,149	8,688,598	9,608,429	11,403,067	13,301,370	15,203,028	19,449,476
—	—	—	—	—	—	—
6,117	6,030	7,971	5,859	7,873	6,289	4,850
—	20,717	24,767	135	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
35,990	35,990	101,488	101,488	156,452	215,493	288,638
379,259	665,777	894,511	1,029,352	1,123,066	1,584,581	1,516,271
792,698	792,699	493,342	508,277	514,130	524,487	690,051
—	—	—	—	—	—	—
4,719,787	6,456,295	6,693,130	6,798,477	2,541,026	2,649,884	2,289,772
4,575,341	8,307,846	2,202,968	—	—	—	—
—	—	—	(2,271,291)	—	—	44,248
—	—	—	—	—	—	—
10,509,192	16,285,354	10,418,177	6,172,297	4,342,547	4,980,734	4,833,830
18,417,341	24,973,952	20,026,606	17,575,364	17,643,917	20,183,762	24,283,306

**PALATINE PARK DISTRICT, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**December 31, 2022 (Unaudited)**

	2013	2014	2015
Revenues			
Taxes	\$ 12,936,055	13,349,747	13,625,805
Charges for Services	5,482,631	5,336,345	7,489,710
Intergovernmental	—	142,170	278,249
Investment Income	31,441	59,074	68,355
Donations and Grants	18,766	17,398	439,091
Miscellaneous	835,862	894,852	1,054,990
Total Revenues	<u>19,304,755</u>	<u>19,799,586</u>	<u>22,956,200</u>
Expenditures			
General Government	7,959,871	7,530,986	6,365,098
Culture and Recreation	5,915,404	7,269,344	10,451,643
Capital Outlay	1,906,834	2,534,086	3,057,789
Debt Service			
Principal Retirement	1,487,000	1,522,000	2,146,000
Interest and Fiscal Charges	824,502	785,270	452,302
Bond Issuance Costs	3,200	2,100	180,339
Total Expenditures	<u>18,096,811</u>	<u>19,643,786</u>	<u>22,653,171</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,207,944</u>	<u>155,800</u>	<u>303,029</u>
Other Financing Sources (Uses)			
Bonds Issued	437,000	437,000	—
Refunding Bonds Issued	—	—	12,736,000
Payment to Refunded Bond Escrow	—	—	(12,292,572)
Premium on Bonds	—	—	482,911
Transfers In	1,060,096	1,037,501	8,000,000
Transfers Out	(975,650)	(1,355,781)	(9,891,961)
Prior Period Adjustment	—	1,430,466	—
	<u>521,446</u>	<u>1,549,186</u>	<u>(965,622)</u>
Net Change in Fund Balances	<u>1,729,390</u>	<u>1,704,986</u>	<u>(662,593)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>14.65%</u>	<u>13.31%</u>	<u>12.91%</u>

\*Modified Accrual Basis of Accounting

Date Source: Audited Financial Statements

2016	2017	2018	2019	2020	2021	2022
13,935,771	14,351,954	14,585,382	14,919,748	15,237,847	15,727,537	17,193,294
7,649,088	7,644,765	7,967,721	8,171,173	3,180,957	6,550,223	7,951,290
48,871	52,100	132,218	261,980	981,425	801,573	870,040
158,852	230,015	317,785	337,324	165,234	129,270	249,031
167,891	16,718	13,015	—	—	—	—
945,552	465,145	443,479	502,616	336,997	427,011	929,407
22,906,025	22,760,697	23,459,600	24,192,841	19,902,460	23,635,614	27,193,062
6,621,142	7,267,025	7,643,891	7,461,781	6,886,497	7,690,786	7,560,666
10,884,555	10,200,668	10,800,490	11,782,544	7,505,334	8,836,489	10,194,897
3,159,482	5,746,216	7,835,827	5,744,775	3,313,773	2,447,840	3,237,784
1,315,000	1,320,000	1,360,000	1,395,000	1,455,000	1,495,000	1,515,000
491,902	672,431	756,675	740,009	673,303	625,654	585,171
4,803	179,689	10,063	6,444	—	—	—
22,476,884	25,386,029	28,406,946	27,130,553	19,833,907	21,095,769	23,093,518
429,141	(2,625,332)	(4,947,346)	(2,937,712)	68,553	2,539,845	4,099,544
—	8,820,000	—	1,370,000	—	—	—
—	—	—	—	—	—	—
—	—	—	(1,355,000)	—	—	—
—	—	—	—	—	—	—
1,000,000	361,943	1,836,915	2,521,224	5,387,616	2,636,053	3,996,793
(1,000,000)	—	(1,836,915)	(2,521,224)	(5,387,616)	(2,636,053)	(3,996,793)
—	—	—	—	—	—	—
—	9,181,943	—	15,000	—	—	—
429,141	6,556,611	(4,947,346)	(2,922,712)	68,553	2,539,845	4,099,544
9.16%	8.58%	7.92%	8.99%	11.99%	11.03%	10.62%

**PALATINE PARK DISTRICT, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

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Fiscal Year	Tax Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property
2013	2012	\$ 1,725,669,045	\$ 68,957	\$ 377,934,133	\$ 157,286,406
2014	2013	1,464,854,826	67,771	348,365,837	143,412,993
2015	2014	1,557,510,142	81,343	329,548,273	74,379,246
2016	2015	1,532,184,548	59,646	324,973,700	70,249,308
2017	2016	1,779,943,615	92,960	195,146,396	266,287,544
2018	2017	1,838,237,061	44,188	322,563,375	79,275,446
2019	2018	1,787,308,768	44,188	315,151,328	77,394,051
2020	2019	1,967,905,002	44,168	412,884,284	88,376,284
2021	2020	1,974,552,574	44,317	414,279,005	88,674,819
2022	2021	1,831,339,154	41,103	384,231,533	82,243,274

Note: Property in the District is reassessed every three years. Property is assessed at 33% of actual value. Total direct tax rate is the Cook County rate.

Data Source: Office of the County Clerk

Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Percent Of Assessed Value
\$ 1,559,216	\$ 2,262,517,757	0.5733	\$ 6,787,553,271	33.33 %
1,925,753	1,958,627,180	0.6795	5,875,881,540	33.33 %
1,988,857	1,963,507,861	0.6959	5,890,523,583	33.33 %
2,410,632	1,929,877,834	0.7242	5,789,633,502	33.33 %
2,452,774	2,243,923,289	0.6472	6,731,769,867	33.33 %
2,502,402	2,242,622,472	0.6568	6,727,867,416	33.33 %
2,688,737	2,182,587,072	0.6922	6,547,761,216	33.33 %
2,935,163	2,472,144,901	0.6330	7,416,435,159	33.33 %
2,945,078	2,480,495,793	0.6496	7,441,494,817	33.33 %
2,731,473	2,300,586,537	0.7102	6,901,759,608	33.33 %



**PALATINE PARK DISTRICT, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

	2012	2013	2014
District			
General	0.3068	0.3500	0.2624
Liability Insurance	0.0113	0.0184	0.0221
Audit	0.0006	0.0007	0.0010
Recreation	0.1054	0.1314	0.2202
Museum	0.0047	0.0055	0.0033
Special Recreation	0.0244	0.0308	0.0290
Bond and Interest	0.0686	0.0818	0.0961
Retirement	0.0515	0.0609	0.0618
	<u>0.5733</u>	<u>0.6795</u>	<u>0.6959</u>
Cook County including Forest Preserve	0.5940	0.6290	0.6370
Township	0.0490	0.0580	0.0590
Palatine Road and Bridge Fund	0.0820	0.0920	0.0900
Palatine TWP General Assistance	0.0140	0.0170	0.0170
Metropolitan Water Reclamation District	0.3700	0.4170	0.4300
Library District	0.2480	0.2930	0.2950
Schools (Districts #15, #211 and Harper College)	6.4140	7.4900	7.5320
Village	1.2000	1.3900	1.3680
All Others	0.0110	0.0440	0.0320
	<u>9.5553</u>	<u>11.1095</u>	<u>11.1559</u>

Data Source: Office of the County Clerk

2015	2016	2017	2018	2019	2020	2021
0.2830	0.2600	0.2763	0.2966	0.2555	0.2763	0.3337
0.0238	0.0219	0.0233	0.0250	0.0250	0.0270	0.0320
0.0011	0.0010	0.0011	0.0012	0.0011	0.0012	0.0014
0.2167	0.1701	0.1627	0.1641	0.1628	0.1535	0.1581
0.0036	0.0033	0.0035	0.0038	0.0034	0.0037	0.0044
0.0400	0.0346	0.0367	0.0392	0.0360	0.0389	0.0342
0.0893	0.0950	0.0881	0.0924	0.0831	0.0847	0.0927
0.0667	0.0613	0.0651	0.0699	0.0661	0.0643	0.0537
0.7242	0.6472	0.6568	0.6922	0.6330	0.6496	0.7102
0.6550	0.5960	0.5580	0.5490	0.5130	1.0300	0.5230
0.0630	0.0540	0.0550	0.0590	0.0550	0.5500	0.0600
0.0920	0.0790	0.0780	0.0800	0.0720	0.0700	0.0740
0.0180	0.0120	0.0100	0.0070	0.0070	0.0100	0.0080
0.4260	0.4060	0.4020	0.3960	0.3890	0.5000	0.3820
0.3080	0.2680	0.2760	0.2910	0.3440	0.3500	0.3880
7.8100	6.8300	6.9650	7.2940	6.6380	6.7600	7.4320
1.4060	1.2120	1.2490	1.2960	1.1440	1.1300	1.3690
0.0110	0.0100	0.0410	0.0110	0.0400	0.0100	0.0100
11.5132	10.1142	10.2908	10.6752	9.8350	11.0596	10.9562

**PALATINE PARK DISTRICT, ILLINOIS**

**Principal Property Tax Payers - Prior Fiscal Year and Nine Fiscal Years Ago  
December 31, 2022 (Unaudited)**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Albion on Lake Cook	\$ 20,954,477	1	1.10%	12,111,736	5	0.62%
United Parcel Service	15,635,156	2	0.82%	12,298,721	4	0.63%
Weber Stephen Products	13,819,132	3	0.73%	9,973,308	6	0.51%
TMIF II Clayson LLC	12,977,201	4	0.68%			
Wal Mart	11,455,301	5	0.60%			
Palatine Fresh Market	10,849,085	6	0.57%	12,682,644	3	0.65%
Deer Grove Garden	8,452,510	7	0.45%			
Realty Income Group	8,407,560	8	0.44%			
Target	8,389,544	9	0.44%	9,811,500	7	0.50%
CR Northwest LLC	8,250,993	10	0.43%			
MacCaffrey Interests				16,227,128	1	0.83%
Renaissance Residential				14,739,015	2	0.75%
Thomson Partners				9,557,008	8	0.49%
Village Park Palatine 300				8,648,133	9	0.44%
Highland Management				7,334,821	10	0.37%
	<u>119,190,959</u>		<u>6.26%</u>	<u>113,384,014</u>		<u>5.79%</u>

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

Data Source: Office of the County Clerk

**PALATINE PARK DISTRICT, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	2012	\$ 12,969,872	\$ 12,914,388	99.57%	\$ 3,704	\$ 12,918,092	99.60%
2014	2013	13,309,809	13,036,338	97.95%	259,424	13,295,762	99.89%
2015	2014	13,797,315	13,584,404	98.46%	191,542	13,775,946	99.85%
2016	2015	13,978,177	13,819,106	98.86%	8,490	13,827,596	98.92%
2017	2016	14,522,672	14,239,332	98.05%	113,996	14,353,328	98.83%
2018	2017	14,692,219	14,532,294	98.91%	58,299	14,590,593	99.31%
2019	2018	15,107,585	14,758,006	97.69%	—	14,758,006	97.69%
2020	2019	15,646,170	15,238,147	97.39%	—	15,238,147	97.39%
2021	2020	16,116,849	15,751,556	97.73%	—	15,751,556	97.73%
2022	2021	16,339,436	16,125,297	98.69%	—	16,125,297	98.69%

Data Source: Office of the County Clerk

**PALATINE PARK DISTRICT, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

Fiscal Year	General Obligation Bonds	Total Primary Government	Percentage of Personal Income*	Per Capita *
2013	\$ 18,835,000	\$ 18,835,000	0.63%	\$ 226.93
2014	17,959,163	17,959,163	0.60%	216.38
2015	17,488,833	17,488,833	0.59%	210.71
2016	16,134,534	16,134,534	0.54%	194.39
2017	23,949,508	23,949,508	0.75%	288.55
2018	22,541,110	22,541,110	0.71%	271.58
2019	21,111,650	21,111,650	0.60%	254.36
2020	19,605,265	19,605,265	0.56%	236.21
2021	18,057,433	18,057,433	0.49%	217.56
2022	16,506,587	16,506,587	0.47%	198.87

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

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

**PALATINE PARK DISTRICT, ILLINOIS**

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

**December 31, 2022 (Unaudited)**

Fiscal Year	General Obligations Bonds	Less Amounts Available for Debt Service	Totals	Percentage of Actual Taxable Value of Property *	Per Capita**
2013	\$ 18,835,000	\$ 230,391	\$ 18,604,609	0.82%	\$ 224.15
2014	17,959,163	207,795	17,751,368	0.91%	213.87
2015	17,488,833	214,821	17,274,012	0.88%	208.12
2016	16,134,534	792,698	15,341,836	0.79%	184.84
2017	23,949,508	792,699	23,156,809	1.03%	279.00
2018	22,541,110	493,342	22,047,768	0.98%	265.64
2019	21,111,650	450,736	20,660,914	0.95%	248.93
2020	19,605,265	465,246	19,140,019	0.77%	230.60
2021	18,057,433	478,473	17,578,960	0.71%	211.79
2022	16,506,587	646,713	15,859,874	0.69%	191.08

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

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

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Schedule of Direct and Overlapping Governmental Activities Debt  
December 31, 2022 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to the District*	District's Share of Debt
Palatine Park District	\$ 16,506,587	100.00%	\$ 16,506,587
<b>Overlapping Debt</b>			
Cook County	2,596,351,750	1.45%	37,647,100
Cook County Forest Preserve	130,570,000	1.45%	1,893,265
Metropolitan Water Reclamation District	2,694,934,289	1.48%	39,885,027
The Village of Palatine	36,470,396	95.22%	34,727,111
School District #15	43,375,000	62.79%	27,235,163
Community College District #512	<u>254,770,000</u>	11.55%	<u>29,425,935</u>
<b>Total Overlapping Debt</b>	<u>5,756,471,435</u>		<u>170,813,601</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>5,772,978,022</u></u>		<u><u>187,320,188</u></u>

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

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

Data Sources: Cook County Clerk's Office, Lake County Clerk's Office of Local Government Entity.

**PALATINE PARK DISTRICT, ILLINOIS**

**Legal Debt Margin - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

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**PALATINE PARK DISTRICT, ILLINOIS**

**Legal Debt Margin - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

	2013	2014	2015	2016
Equalized Assessed Valuation	\$ 2,362,517,757	1,958,627,179	1,963,507,861	1,929,877,834
Bonded Debt Limit - 2.875% of Assessed Value	67,922,386	56,310,531	56,450,851	55,483,988
Total Net Debt Applicable to Limit	11,001,000	9,895,000	9,375,000	8,495,000
Legal Debt Margin	56,921,386	46,415,531	47,075,851	46,988,988
Total Debt Applicable to the Limit as a Percentage of Debt Limit	16.20%	17.57%	16.61%	15.31%
Non-Referendum Legal Debt Limit - .575% of Assessed Value	13,584,477	11,262,106	11,290,170	11,096,798
Amount of Debt Applicable to Limit	11,001,000	9,895,000	9,375,000	8,495,000
Legal Debt Margin	2,583,477	1,367,106	1,915,170	2,601,798
Percentage of Legal Debt Margin to Bonded Debt Limit	19.02%	12.14%	16.96%	23.45%

Data Source: District Records

2017	2018	2019	2020	2021	2022
2,243,923,289	2,242,622,472	2,182,587,072	2,472,145,053	2,480,495,752	2,300,586,536
64,512,795	64,475,396	62,749,378	71,074,170	71,314,253	66,141,863
6,355,000	6,025,000	5,685,000	4,630,000	3,545,000	2,760,000
58,157,795	58,450,396	57,064,378	66,444,170	67,769,253	63,381,863
9.85%	9.34%	9.06%	6.51%	4.97%	4.17%
12,902,559	12,895,079	12,549,876	14,214,834	14,262,851	13,228,373
6,355,000	6,025,000	5,685,000	4,630,000	3,545,000	2,760,000
6,547,559	6,870,079	6,864,876	9,584,834	10,717,851	10,468,373
50.75%	53.28%	54.70%	67.43%	75.15%	79.14%

**PALATINE PARK DISTRICT, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

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Fiscal Year	Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate
2013	83,000	\$ 2,982,605,000	\$ 35,935	7.10%
2014	83,000	2,982,605,000	35,935	5.60%
2015	83,000	2,982,605,000	35,935	5.60%
2016	83,000	2,982,605,000	35,935	4.40%
2017	83,000	3,172,343,000	38,221	4.10%
2018	83,000	3,172,343,000	38,221	4.10%
2019	83,000	3,501,189,000	42,183	2.90%
2020	83,000	3,501,189,000	42,183	7.00%
2021	83,000	3,650,174,000	43,978	5.70%
2022	83,000	3,485,834,000	41,998	3.20%

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
December 31, 2022 (Unaudited)**

Employer	2022			2013		
	Number of Employees	Rank	% of Total District Population	Number of Employees	Rank	% of Total District Population
Community Consolidated School District 15	2,444	1	3.60%	2,200	1	2.65%
Township High School District 211	2,087	2	2.51%	2,057	2	2.48%
United States Postal Service	1,900	3	2.29%	1,000	3	1.20%
WEber-Stephen Products	1,183	4	1.43%	975	4	1.17%
Community College District 512	840	5	1.01%	700	5	0.84%
Little City Foundation	735	6	0.89%			
Village of Palatine	326	7	0.39%	355	7	0.43%
Arlington Plating	175	8	0.21%	150	9	0.18%
Intec Group, Inc.	175	9	0.21%	425	8	0.51%
United Parcel Service	155	10	0.19%	1,000	10	1.20%
Schneider Electric Square D				355	7	0.43%
	<u>10,020</u>		<u>12.73%</u>	<u>9,217</u>		<u>11.09%</u>
Total Population			<u>83,000</u>			<u>83,000</u>

Data Source: Village of Palatine

**PALATINE PARK DISTRICT, ILLINOIS**

**Full-Time Equivalent District Employees by Function/Program - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administration	23	24	24	24	29	28	27	26	26	27
Parks	42	41	40	40	39	37	37	32	35	34
Recreation	114	118	124	124	129	132	135	64	91	103
Palatine Stables	10	10	10	10	10	10	10	9	9	9
Palatine Hills Golf Course	18	17	18	17	16	15	15	13	16	16
	207	210	216	215	223	222	224	144	177	189

Data Source: District Finance Office

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

**PALATINE PARK DISTRICT, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

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**See Following Page**

**PALATINE PARK DISTRICT, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

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Function/Program	2013	2014	2015
Fitness Center Memberships	1,185	1,186	1,203
Swimming Pool Visits	89,539	85,087	91,554
Pool Pases Sold	1,667	1,454	1,344
Golf Rounds Played	34,989	33,340	35,440
Camp Participants	1,690	1,627	1,576
Stables Lessons/Camps	446	442	481
Before and After School Care	411	512	665
Preschool Participants	232	214	137
Volunteers	N/A	N/A	208
Background Checks Run	N/A	N/A	204

N/A - Not Applicable

Data Source: Various District Departments

2016	2017	2018	2019	2020	2021	2022
1,476	1,218	1,004	1,088	636	597	546
101,877	98,587	100,068	91,036	21,668	67,663	73,705
1,359	1,416	1,496	1,416	62	1,312	863
34,132	30,482	28,580	28,040	27,891	32,760	30,630
3,243	3,263	3,276	3,022	80	1,129	1,173
601	704	714	763	650	726	965
664	630	635	660	847	370	426
139	140	136	140	87	158	215
250	560	750	404	20	352	502
612	560	720	661	188	410	734



**PALATINE PARK DISTRICT, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

Function/Program	2013	2014	2015
Parks and Facilities			
Parks/Natural Areas			
Number	54	54	54
Acres	743.78	743.78	743.78
Facilities			
Play Equipment	29	29	29
Swimming Facilities	3	3	3
Recreation Centers	3	3	3
Outdoor Skating	2	2	2
18 Hole Golf Course	1	1	1
Football Fields	4	4	4
Ball Diamonds	24	24	24
Soccer Fields	24	24	24
Outdoor Tennis Courts	16	14	14
Picnic Areas	27	27	27
Walking, Jogging and Bike Trails	1	1	1
Volleyball Courts	3	3	3
Basketball Courts	4 full/3 half	4 full/3 half	4 full/3 half
Shelters	24	24	24
Stables	1	1	1
Theaters	1	1	1
Amphitheaters	1	1	1
Pickle Ball Courts	N/A	N/A	4
18 Hole Disc Golf Course	N/A	N/A	1
Fishing Pier	N/A	N/A	1
Skate Park	N/A	N/A	1
Dog Park	N/A	N/A	N/A

N/A - Not Applicable

Data Source: Parks Department

2016	2017	2018	2019	2020	2021	2022
55	55	55	55	55	55	55
734.20	735.20	735.20	735.20	735.20	735.20	737.03
29	29	30	30	30	30	30
3	3	3	3	3	3	3
3	3	3	3	3	3	3
2	2	2	1	1	1	1
1	1	1	1	1	1	1
4	4	4	4	4	2	2
24	24	24	24	24	22	22
24	24	24	24	24	24	24
14	14	6	6	6	14	14
27	27	27	27	27	27	27
1	1	1	6	6	24	24
3	3	4	4	4	3	3
3 full/3 half	3 full/3 half	3 full/3 half	3 full/3 half	3 full/3 half	6 full/4 half	6 full/4 half
24	24	21	21	21	23	23
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
4	4	4	4	4	10	10
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1