

**PARK DISTRICT OF HIGHLAND PARK,  
ILLINOIS**

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**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**



**FOR THE NINE MONTHS ENDED  
DECEMBER 31, 2014**

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE NINE MONTHS ENDED  
DECEMBER 31, 2014**

**Prepared by:**

**Finance Department  
Annette Curtis, Director of Finance**

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Park District of Highland Park including:

- Principal Officials
- Organizational Chart
- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Principal Officials**  
**December 31, 2014**

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## **BOARD OF PARK COMMISSIONERS**

Scott Meyers, President

Barnett Ruttenberg, Vice President

Calvin A. Bernstein, Commissioner

Brian Kaplan, Commissioner

Lori Flores Weisskopf, Commissioner

## **ADMINISTRATIVE**

Liza McElroy, Executive Director of Parks and Recreation

Annette Curtis, Director of Finance

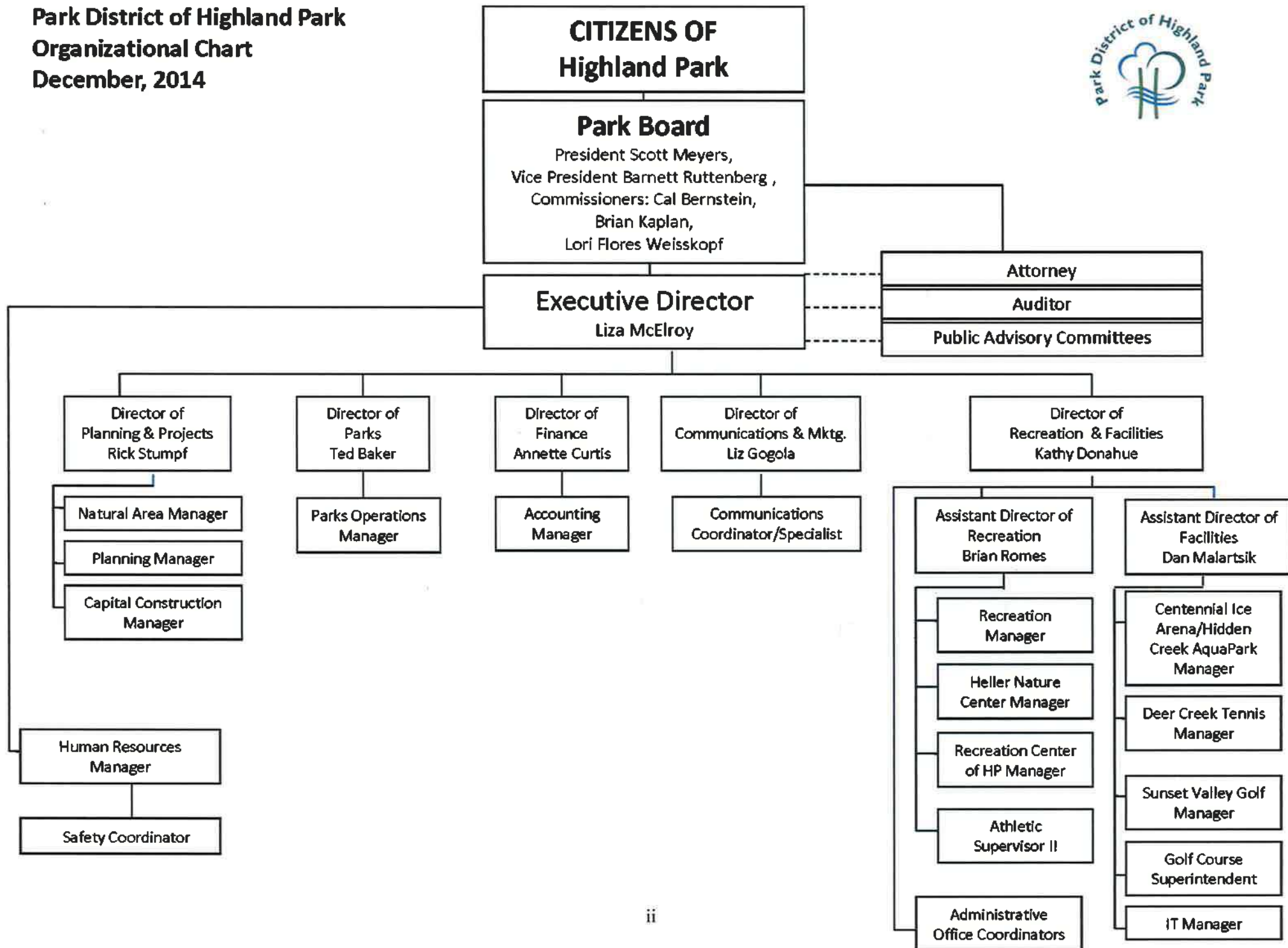
Kathy Donahue, Director of Recreation Services

Rick Stumpf, Director of Planning and Special Projects

Ted Baker, Director of Parks

Liz Gogola, Director of Communications

**Park District of Highland Park  
Organizational Chart  
December, 2014**





Administration Office  
West Ridge Center  
636 Ridge Road  
Highland Park, IL 60035  
847-831-3810  
FAX: 847-831-0818  
WEB: [www.pdhp.org](http://www.pdhp.org)

May 4, 2015

To: Board of Park Commissioners and Citizens of the Park District of the Park District of Highland Park

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the nine month year ended December 31, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that is established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Lauterbach and Amen, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the Park District of Highland Park's financial statements for the nine months ended December 31, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Profile of the Park District of Highland Park***

The District was founded in 1909 and is located in the City of Highland Park, Illinois along the north shore of Lake Michigan. The District serves the City of Highland Park and a small portion of the Village of Deerfield. The District owns and operates more than 650 acres of land in 44 park areas while also helping other municipal agencies manage some land and is located approximately 25 miles north of Chicago.

The Park District operates under a Board-Director form of government serving a population of approximately 30,000. Educational services for the residents of the District are provided by North Shore School District Number 112 and Township High School District Number 113. Route 41 traverses the District and Interstate 94 is along its western boundary. METRA rail service to downtown Chicago is available with stations in Deerfield, Highland Park, Ft. Sheridan, and Highwood.

The District offers over 2,800 programs annually. These programs include athletics, pre-school, art and dance, ice skating, tennis, swimming, golf, gymnastics, and tennis. The District also offers general youth and adult variety programs throughout its facilities and parks. To support these programs, the District parks contain baseball and softball fields (23), outdoor basketball courts (10), football/soccer fields (14), indoor/outdoor tennis courts (52), disc golf courses (2), and fishing areas (3).





The Comprehensive Annual Financial Report, which follows this transmittal letter, includes all funds of governmental operations and component units based on financial accountability. The accompanying financial statements include only those funds of the Park District, as there are no other organizations for which it has financial accountability. The Park District participates in the Illinois Municipal Retirement Fund (IMRF), the Northern Suburban Special Recreation Association (NSSRA), and the Park District Risk Management Agency (PDRMA). These organizations are not included in this report. However, such statements are available upon request from their respective business offices.

The Board of Commissioners is required to adopt a final budget and appropriation ordinance by no later than three months after the close of the fiscal year. This annual budget serves as the foundation for the Park District of Highland Park's financial planning and control. The budget is prepared by fund and state law prohibits further appropriation at anytime within the same fiscal year. The Board of Commissioners has the authority, after the first six months of the fiscal year, to make transfers between various items in any fund in the appropriation ordinance with a two-thirds (2/3) vote. Additionally, if circumstances warrant it, a supplemental budget and appropriations ordinance can be prepared. Transfers cannot exceed 10%, in the aggregate, of the total amount appropriated for the fund or item that is having funds reallocated.

### **Local Economy**

The City of Highland Park has a well-established reputation as a preeminent community located in the northern corridor of the Chicago metropolitan area. The area encompassing the Park District of Highland Park is an outstanding place in which to live and work as the city has a large residential base and a booming downtown. The residents of Highland Park receive excellent municipal and educational services. From an educational standpoint, over one-third of its residents have an advanced degree and an additional third have a bachelor's degree. This is well above the norm for the County (Lake) as well as the State of Illinois.

From a pure economic position, the District serves a highly affluent community as nearly 60% of its residents live in homes valued in excess of \$500,000 as opposed to a state average of just over 9%. In light of difficult economic conditions, the median household income of \$119,126 represents a slight increase from the prior year.

### **Long-term Planning**

In early 2013, the Park District of Highland Park began developing a comprehensive master plan to establish a clear set of goals, policies and standards for all of the Park District facilities, open space, and programs. The comprehensive master plan will provide a framework for investment in the park system over the next ten years. GreenPrint will ensure that resources are aligned with current and future resident needs, community values, and the District's changing demographics.

In preparation for funding future capital projects, various options have been reviewed by the board. As no final decisions have been made, the goal is to optimize funding to match capital needs. The District has maintained its Aaa rating from Moody's Investor Services.

The district continued to work with the Army Corps of Engineers on the redevelopment of Rosewood Beach. The project is scheduled to be completed by June 2015. During September the District completed demolition of an antiquated building at Millard Park and began the process of beach 'open space' restoration. Along with park maintenance equipment replacement and general park maintenance, Cuniff play equipment was replaced, and restoration work continued at Sunset Woods. While routine facility maintenance continued, the sound system at Centennial Ice Area was replaced and plans for Hidden Creek Aqua Park's splash pad renovation were finalized. Work began during the fall 2014 and should be complete by May 2015.

Beginning with 2015, the fiscal year end of the District will now be December 31<sup>st</sup>. This report summarizes the activity from April 1, 2014 through December 31, 2014 and represent 9 months of activity. The next 12 month report will be calendar year 2015.

### **Other Information**

**Independent Audit:** The District is required by Illinois Compiled Statutes to have an annual audit conducted by an independent certified public accountant selected by the Board of Park Commissioners. The audit firm, Lauterbach & Amen, LLP, Certified Public Accountants' report on the general-purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report.

**Awards:** January 2014 the Illinois Association of Park Districts and Illinois Park and Recreation Association awarded the Illinois Distinguished Agency Award to the District. The District had been accredited since 1996 for Excellence in Park and Recreation Management. The desired result of the award is to improve the quality of life for the district residents.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Park District of Highland Park for its comprehensive annual financial report for the fiscal year ended March 31, 2014. This was the twenty fifth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

**Affiliations:** The District is a member of the National Recreation and Park Association (NRPA), the Illinois Association of Park Districts (IAPD), the Illinois Park and Recreation Association (IPRA), the Park District Risk Management Agency (PDRMA) and the Northern Suburban Special Recreation Association (NSSRA).

The timely preparation of this comprehensive financial report was made possible by the dedicated staff of the entire Park District and coordinated by the Finance staff. We would like to express our sincere appreciation for their contributions not only to this report, but also to their commitment of abiding to policies and procedures to ensure the high integrity of the information presented in this financial report. We thank the Board of Park Commissioners for their leadership and support as it relates to the financial operations and policies of the District.

Sincerely,



Liza McElroy  
Executive Director



Annette Curtis  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Park District of Highland Park  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**March 31, 2014**

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

May 4, 2015

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Park District of Highland Park, Illinois, as of and for the nine months ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Park District of Highland Park, Illinois, as of December 31, 2014, and the respective changes in financial position for the nine months then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park District of Highland Park, Illinois', financial statements as a whole. The introductory section, individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

*Lauterbach + Amen LLP*

LAUTERBACH & AMEN, LLP



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

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2014**

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Our discussion and analysis of the Park District of Highland Park's financial performance provides an overview of the District's financial activities for a nine months ended December 31, 2014. Please read it in conjunction with the transmittal letter, which begins on page iii and the District's financial statements, which begin on page 3.

#### **FINANCIAL HIGHLIGHTS**

- The Park District of Highland Park's net position increased as a result of operations. Net position of the governmental activities increased by \$2,699,536 which is approximately 7.3% from the prior year.
- During the last nine months, government-wide revenues for the primary government totaled \$17,666,468 while expenses totaled \$14,966,932, resulting in an increase to net position of \$2,699,536.
- The Park District of Highland Park's net position totaled \$39,779,610 on December 31, 2014, which includes \$21,471,792 net investment in capital assets, \$490,281 subject to external restrictions, and \$17,817,537 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported excess revenue for the 9 month year of \$238,098 exclusive of net transfers out of \$183,833. The net change in fund balance of \$54,265 brings the fund balance in the General Fund to \$970,956, resulting in an increase of 5.9%.

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

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3-5) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements begin on page 6. 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 government wide financial statements can be found on pages 3-5 of this report.

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

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2014**

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#### **USING THIS ANNUAL REPORT – Continued**

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and government and recreation services. There are no business-type activities reported by the District.

#### **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 reported as 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 balances sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Recreation Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds, and the Special Recreation Fund, the District's only 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.

The basic governmental fund financial statements can be found on pages 6 - 11 of this report.

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Management's Discussion and Analysis December 31, 2014

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#### USING THIS ANNUAL REPORT – Continued

##### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 - 38 of this report.

##### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's I.M.R.F. employee pension obligations, as well as budgetary comparison schedules for the General Fund and Recreation Fund. These items can be found on pages 39 - 41.

#### 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 inflows by \$39,779,610.

	Net Position Governmental Activities	
	12/31/2014	3/31/2014
Current and Other Assets	\$ 32,013,942	33,989,875
Capital Assets	36,230,159	32,968,664
Total Assets	68,244,101	66,958,539
Long-Term Debt	13,872,042	15,272,080
Other Liabilities/Deferred Inflows	14,592,449	14,606,385
Total Liabilities/Deferred Inflows	28,464,491	29,878,465
Net Position		
Net Investment in Capital Assets	21,471,792	20,263,950
Restricted	490,281	892,981
Unrestricted	17,817,537	15,923,143
Total Net Position	39,779,610	37,080,074

A large portion of the District's net position, \$21,471,792 or 54.0%, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Management's Discussion and Analysis December 31, 2014

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

An additional portion, \$490,281 or 1.2%, of the District's net position represents resources that are subject to external restrictions on how they may be used. Essentially, these restrictions represent property taxes levied for a specific purpose. The remaining 44.8%, or \$17,817,537, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

	<u>Changes in Net Position</u>	
	<u>Governmental</u>	
	<u>Activities</u>	
	<u>12/31/2014</u>	<u>3/31/2014</u>
Revenues		
Program Revenues		
Charges for Services	\$ 6,940,048	8,153,219
Operating Grants/Contrib.	71,017	260,254
Capital Grants/Contrib.	-	-
General Revenues		
Property Taxes	10,313,220	9,609,488
Replacement Taxes	121,086	157,206
Other General Revenues	221,097	314,029
Total Revenues	<u>17,666,468</u>	<u>18,494,196</u>
Expenses		
General Government	3,907,202	5,706,274
Recreation	10,795,143	13,081,135
Interest on Long-Term Debt	264,587	325,218
Total Expenses	<u>14,966,932</u>	<u>19,112,627</u>
Change in Net Position	2,699,536	(618,431)
Net Position-Beginning	<u>37,080,074</u>	<u>37,698,505</u>
Net Position-Ending	<u>39,779,610</u>	<u>37,080,074</u>

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Management's Discussion and Analysis December 31, 2014

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#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

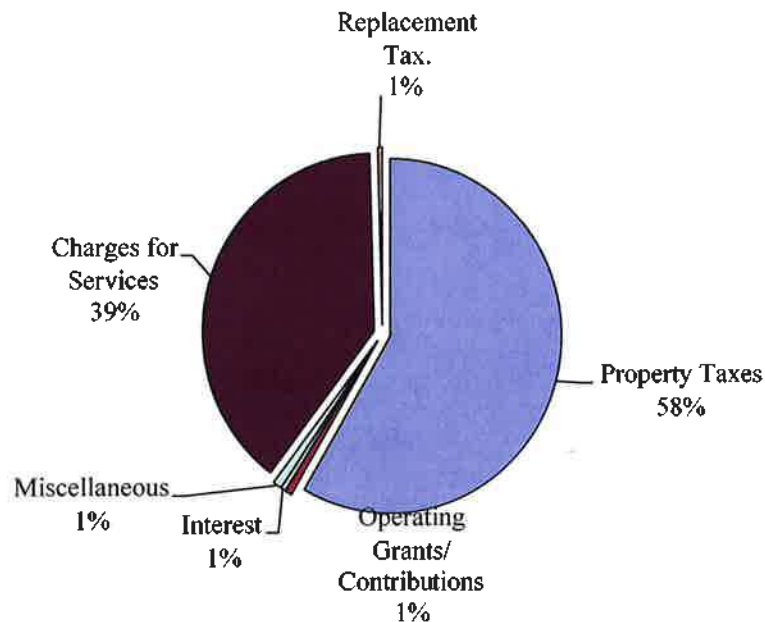
Net position of the District's governmental activities increased by 7.3% (\$39,779,610 at 9 months ending December 31, 2014 compared to \$37,080,074 at 12 months ending 3/31/2014). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$17,817,537 at December 31, 2014.

#### Governmental Activities

Revenues for governmental activities totaled \$17,666,468, while the cost of all governmental functions totaled \$14,966,932. This results in a gain of \$2,699,536. In 2013-2014, expenses of \$19,112,627 exceeded revenues of \$18,494,196, resulting in a deficit of \$618,431. During the 9 month year, all property tax revenue collections were received, however program revenue was short by 3 months. Resulting is a larger than normal percentage of property tax revenue to charges for services. The decrease in expenses is related to the short year.

The following chart graphically depicts the major revenue sources of the District. This graph illustrates that, more than half of the District's revenues come from property tax.

**Revenues by Source - Governmental Activities**



## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Management's Discussion and Analysis December 31, 2014

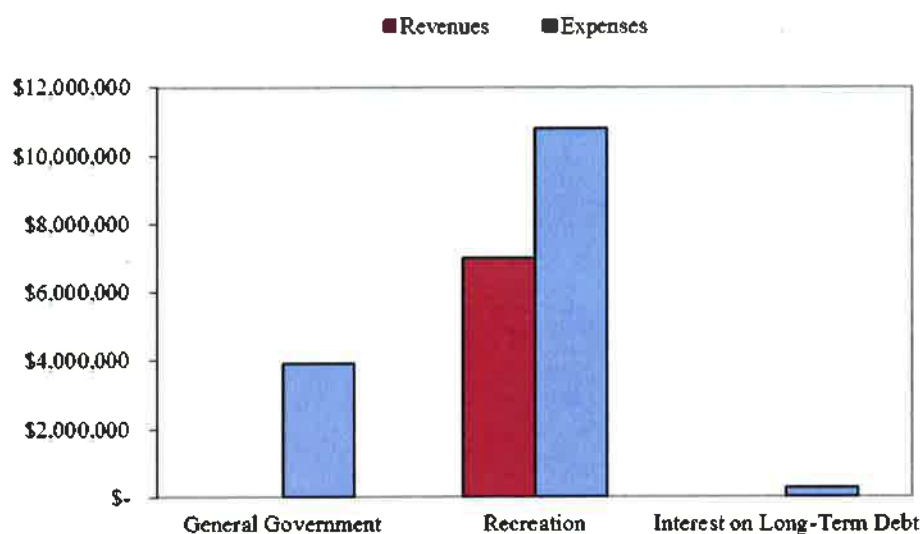
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#### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

##### Governmental Activities – Continued

The Expenses and Program Revenues Chart identifies those governmental functions where program expenses greatly exceed revenues. Although in the government-wide statements expenses normally exceed revenues, general revenues such as property and replacement taxes support the general government expenses, a portion of recreation expenses, and interest expenses.

##### Expenses and Program Revenues - Governmental Activities



#### FINANCIAL ANALYSIS OF THE DISTRICT'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 ending fund balance when the District's Governmental Funds combined is \$18,684,490 which is \$2,071,949, or 10.0%, less than last year's total of \$20,756,439. Of that amount, \$17,924,841, of the total is committed, assigned, restricted or nonspendable. The District's intent is to remain true to its fund balance policy that is discussed in the Notes to the Financial Statements, by transferring a portion of the excess balances to the Capital Projects Fund to assure that the District's existing assets are well maintained moving forward. The District transferred, from its Recreation Fund to the Capital Projects Fund \$1,400,000 in excess fund balance.

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Management's Discussion and Analysis December 31, 2014

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#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS – Continued

##### Governmental Funds – Continued

The General Fund is the chief operating fund of the District. At December 31, 2014, unassigned fund balance in the General Fund was \$759,649, which represents 78.2% of the total fund balance of the General Fund.

The Recreation Fund reported a positive change in fund balance for the 9 month year of \$1,710,980, to \$7,402,768. This is an increase of 30.1%. This result is due to a decrease in expenditures related to the 9 month period as compared to the prior year.

The Capital Projects Fund reported a decrease in fund balance of \$3,738,984 to \$10,010,999. This decrease is due primarily to expenditures necessary to support capital improvements.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

During the 9 month 2014 budget year, the District did not revise the annual operating budget of the General Fund. The fund is reported as a major fund, and accounts for the routine park operations of the District. The overall performance of the fund was greater than budgeted. Due to a decrease in expenditures compared to budget of \$313,301 the fund balance at year end was greater than budgeted.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2014 was \$36,230,159 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, and recreational equipment and improvements.

	Capital Assets - Net of Depreciation	
	Governmental	
	Activities	
	12/31/2014	3/31/2014
Land	\$ 3,248,634	3,248,634
Buildings	17,270,375	17,622,510
Improvements	4,801,734	4,172,444
Equipment	3,416,967	3,186,457
Construction in Progress	6,967,278	4,476,208
Vehicles	525,171	262,411
Total	36,230,159	32,968,664



## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Management's Discussion and Analysis December 31, 2014

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#### CAPITAL ASSETS AND DEBT ADMINISTRATION – Continued

##### Capital Assets – Continued

This year's major additions included:

Construction in Progress	\$ 2,708,892
Building	136,325
Improvements	890,428
Equipment	581,962
Vehicles	<u>323,896</u>
Total	<u>4,641,503</u>

Additional information on the District's capital assets can be found in note 3 on page 24 of this report.

##### Debt Administration

At year-end, the District had total outstanding debt of \$14,330,000 as compared to \$15,465,000 the previous year, a decrease of 7.3%. The following is a comparative statement of outstanding debt:

	<u>Long-Term Debt Outstanding</u>	
	Governmental	
	Activities	
	<u>12/31/2014</u>	<u>3/31/2014</u>
General Obligation Bonds	\$ 14,330,000	<u>15,465,000</u>

The decrease is the result of annual principal and interest payments

The District applied for and received an Aaa rating from Moody's which is reflective of its strong financial base. The current legal debt margin for the District is \$45,451,880.

Additional information on the District's long-term debt can be found in Note 3 on pages 25 - 27 of this report.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As was the case the prior year, the District's tax levy was flat. However, should the economy continue to improve, management is hopeful that recreation revenues will increase. Managing its resources in a conservative manner will force the District to monitor expenses closely. The District anticipates the completion of its Master Plan by late summer which will assist in the prioritization of capital projects and determine how the District will spend its resources.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Management's Discussion and Analysis December 31, 2014**

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#### **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 Finance Director, Park District of Highland Park, 636 Ridge Road, Highland Park, IL 60035.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board (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.

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Statement of Net Position**

**December 31, 2014**

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**See Following Page**

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Statement of Net Position  
December 31, 2014**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 20,975,774
Receivables - Net of Allowances	10,970,305
Inventory	13,388
Prepays	<u>54,475</u>
Total Current Assets	<u>32,013,942</u>
<b>Noncurrent Assets</b>	
<b>Capital Assets</b>	
Nondepreciable	10,215,912
Depreciable	45,268,684
Accumulated Depreciation	<u>(19,254,437)</u>
Total Noncurrent Assets	<u>36,230,159</u>
Total Assets	<u>68,244,101</u>

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

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 1,454,577
Accrued Payroll	193,424
Accrued Interest	15,828
Other Payables	1,115,133
Current Portion Long-Term Debt	
Compensated Absences Payable	72,169
General Obligation Limited Tax Debt Certificates	1,175,000
Total Current Liabilities	<u>4,026,131</u>
Noncurrent Liabilities	
Compensated Absences Payable	288,675
General Obligation Limited Tax Debt Certificates - Net	13,583,367
Total Noncurrent Liabilities	<u>13,872,042</u>
Total Liabilities	<u>17,898,173</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	10,566,318
Total Liabilities and Deferred Inflows of Resources	<u>28,464,491</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	21,471,792
Restricted	
Property Tax Levies	
Audit	99,548
Police Protection	106,794
Special Recreation	147,331
Debt Service	136,608
Unrestricted	<u>17,817,537</u>
Total Net Position	<u>39,779,610</u>

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

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Statement of Activities**

**For the Nine Months Ended December 31, 2014**

		Program Revenues		
	Expenses	Charges for Services	Capital Grants/ Contributions	Net (Expenses)/ Revenues
Governmental Activities				
General Government	\$ 3,907,202	-	-	(3,907,202)
Recreation	10,795,143	6,940,048	71,017	(3,784,078)
Interest on Long-Term Debt	264,587	-	-	(264,587)
Total Governmental Activities	14,966,932	6,940,048	71,017	(7,955,867)

### **General Revenues**

Taxes	
Property Taxes	10,313,220
Replacement Taxes	121,086
Interest	75,929
Miscellaneous	145,168
	<u>10,655,403</u>
Change in Net Position	2,699,536
Net Position - Beginning	<u>37,080,074</u>
Net Position - Ending	<u><u>39,779,610</u></u>

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

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2014**

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**See Following Page**



**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Balance Sheet - Governmental Funds  
December 31, 2014**

	General	Special Revenue Recreation
<b>ASSETS</b>		
Cash and Investments	\$ 1,061,832	8,897,591
Receivables - Net of Allowances		
Taxes	6,079,994	3,654,576
Accrued Interest	28,282	-
Programs	-	46,385
Other	325,078	-
Inventory	-	13,388
Prepays	4,965	48,954
Total Assets	7,500,151	12,660,894
<b>LIABILITIES</b>		
Accounts Payable	399,772	347,922
Retainage Payable	-	-
Accrued Payroll	40,769	152,655
Other Payables	8,660	1,102,973
Total Liabilities	449,201	1,603,550
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	6,079,994	3,654,576
Total Liabilities and Deferred Inflows of Resources	6,529,195	5,258,126
<b>FUND BALANCES</b>		
Nonspendable	4,965	62,342
Restricted	206,342	-
Committed	-	7,340,426
Assigned	-	-
Unassigned	759,649	-
Total Fund Balances	970,956	7,402,768
Total Liabilities, Deferred Inflows of Resources and Fund Balances	7,500,151	12,660,894

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

Debt Service	Capital Projects	Nonmajor Special Recreation	Totals
152,436	10,716,584	147,331	20,975,774
-	-	831,748	10,566,318
-	-	-	28,282
-	-	-	46,385
-	4,242	-	329,320
-	-	-	13,388
-	556	-	54,475
152,436	10,721,382	979,079	32,013,942
-	403,888	-	1,151,582
-	302,995	-	302,995
-	-	-	193,424
-	3,500	-	1,115,133
-	710,383	-	2,763,134
-	-	831,748	10,566,318
-	710,383	831,748	13,329,452
-	556	-	67,863
152,436	-	147,331	506,109
-	-	-	7,340,426
-	10,010,443	-	10,010,443
-	-	-	759,649
152,436	10,010,999	147,331	18,684,490
152,436	10,721,382	979,079	32,013,942

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

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to  
Net Position of Governmental Activities**

**December 31, 2014**

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<b>Total Governmental Fund Balances</b>	<b>\$ 18,684,490</b>
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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.	36,230,159
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Long-term liabilities are not due and payable in the current  
period and therefore are not reported in the funds.

Compensated Absences Payable	(360,844)
General Obligation Limited Tax Debt Certificates Payable	(14,330,000)
Unamortized Bond Premiums	(428,367)
Accrued Interest Payable	<u>(15,828)</u>

<b>Net Position of Governmental Activities</b>	<b><u>39,779,610</u></b>
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The notes to the financial statement are an integral part of this statement.

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Nine Months Ended December 31, 2014**

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**See Following Page**

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Nine Months Ended December 31, 2014**

	General	Special Revenue Recreation
<b>Revenues</b>		
Taxes	\$ 4,209,181	5,395,108
Charges for Services	21,433	6,918,615
Grants and Donations	12,000	(1,508)
Interest	75,929	-
Miscellaneous	21,873	66,413
Total Revenues	4,340,416	12,378,628
<b>Expenditures</b>		
Current		
General Government	4,070,613	-
Recreation	-	8,641,276
Capital Outlay	31,705	74,874
Debt Service		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	4,102,318	8,716,150
Excess (Deficiency) of Revenues Over (Under) Expenditures	238,098	3,662,478
<b>Other Financing Sources (Uses)</b>		
Transfers In	-	-
Transfers Out	(183,833)	(1,951,498)
	(183,833)	(1,951,498)
Net Change in Fund Balances	54,265	1,710,980
Fund Balances - Beginning	916,691	5,691,788
Fund Balances - Ending	970,956	7,402,768

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

Debt Service	Capital Projects	Nonmajor Special Recreation	Totals
-	-	830,017	10,434,306
-	-	-	6,940,048
-	60,525	-	71,017
-	-	-	75,929
-	56,882	-	145,168
-	117,407	830,017	17,666,468
-	58,391	-	4,129,004
-	-	319,586	8,960,862
-	4,970,181	19,016	5,095,776
1,135,000	-	-	1,135,000
417,775	-	-	417,775
1,552,775	5,028,572	338,602	19,738,417
(1,552,775)	(4,911,165)	491,415	(2,071,949)
1,343,150	1,780,000	-	3,123,150
-	(607,819)	(380,000)	(3,123,150)
1,343,150	1,172,181	(380,000)	-
(209,625)	(3,738,984)	111,415	(2,071,949)
362,061	13,749,983	35,916	20,756,439
152,436	10,010,999	147,331	18,684,490

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

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities**

**For the Nine Months Ended December 31, 2014**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (2,071,949)</b>
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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	4,423,681
Depreciation Expense	(989,170)

The net effect of various miscellaneous transactions involving capital assets  
is to increase net position

Disposals - Cost	(645,502)
Disposals - Accumulated Depreciation	472,486

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.

Deductions to Compensated Absences Payable	221,802
Retirement of Debt	1,135,000
Amortization of Bond Premiums	47,596

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.

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105,592

**Changes in Net Position of Governmental Activities**

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**2,699,536**

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

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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

The Park District of Highland Park of Illinois (District) was incorporated July 9, 1909. The District operates under a Board-Manager form of government, providing recreation and other services to the residents of Highland Park which include: recreation programs, park management, capital development, and general administration.

#### **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). The District's recreation and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities columns are: (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, recreation, etc.). These functions are supported by general government revenues (property taxes and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property tax, interest income, etc.). The District does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds, which is recorded as a transfer.

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.



## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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

##### **BASIS OF PRESENTATION – Continued**

###### **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 comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. The District's funds are all reported as governmental funds. The emphasis in fund financial statements is on the major funds.

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 the 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 or enterprise 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 or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

###### **Governmental Funds**

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

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

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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

##### **BASIS OF PRESENTATION – Continued**

##### **Fund Financial Statements – Continued**

##### **Governmental Funds – Continued**

**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 special revenue fund, is used to account for the operations of the recreation programs. Financing is provided primarily from an annual property tax levy, and from fees charged for programs and activities.

**Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and records the District's general obligation debt activity.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Fund is treated as a major fund and is used to account for financial resources acquired through bond issue which are to be used for improvements to existing park facilities and for maintenance supplies and staff for the general upkeep of all parks within the District.

#### **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. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

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.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

###### **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.

###### **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 reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Notes to the Financial Statements**

**December 31, 2014**

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

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

##### **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. At year-end, the District only reports transfers.

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

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories 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.

##### **Capital Assets**

Capital assets purchased or acquired with an original cost of more than \$5,000, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market 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 expenses 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:

Buildings	25 - 35 Years
Improvements	10 - 20 Years
Equipment	3 - 15 Years
Vehicles	5 - 10 Years

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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

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

##### **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. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement or resignation.

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

##### **Long-Term Obligations**

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

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

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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

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

##### **Net Position**

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

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

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

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

#### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **BUDGETARY INFORMATION**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to December 31 the Director submits to the Board of Commissioners a proposed operating budget for the upcoming fiscal year commencing January 1.
- The operating budget includes proposed expenditures and the means for financing.
- The District’s budgetary operations are governed by the appropriation law detailed in the Illinois Park District Code and administered by the Director of Finance.
- Notice is given, and public meetings are conducted, to obtain taxpayer comments.
- The Board may add to, subtract from, or change appropriations, but may not change the form of the budget.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued**

##### **BUDGETARY INFORMATION – Continued**

- Prior to the end of the first quarter of each fiscal year, the budget is legally enacted through the passage of an annual combined budget and appropriation ordinance.
- Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are legally adopted on a basis consistent with GAAP. Expenditures may not legally exceed appropriations at the fund level. Any expenditure in excess of the legally adopted appropriations must be approved by the District Board through a supplemental appropriation. No supplemental appropriations were required during the nine months ended December 31, 2014.
- After the first six months of any fiscal year, the District Board may, by a two-thirds vote, amend the initially approved appropriation ordinance. Unused appropriations lapse at the end of the fiscal year. Expenditures legally may not exceed the total of appropriations and beginning fund balance at the fund level.
- Management can make transfers between individual expenditure categories of a fund (i.e. services, utilities, etc.) for up to 10% for the budgeted amount, but not alter the total budget of the fund. However, Board of Commissioners approval is required in order for management to make transfers between different funds.
- Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the Governmental funds during the year. All outstanding encumbrances lapse at fiscal year end.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **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, the Illinois Funds, the Illinois Metropolitan Investment Fund, and the Illinois Park District Liquid Asset Fund.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

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

The Illinois Park District Liquid Asset Fund allows Illinois park districts, forest preserves and joint recreational programs to pool their funds for investment purposes. Although not registered with the SEC, the Illinois Park District Liquid Asset Fund does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in the Illinois Park District Liquid Asset Fund are valued at the share price, the price for which the investment could be sold.

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

**Deposits.** At year-end, the carrying amount of the District's deposits totaled \$15,292,103 and the bank balances totaled \$15,898,267.



## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Notes to the Financial Statements December 31, 2014

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

#### DEPOSITS AND INVESTMENTS – Continued

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

Investment Instrument	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Municipal Bonds	\$ 1,454,763	1,454,763	-	-	-
Illinois Funds	291,090	291,090	-	-	-
IMET	1,512	1,512	-	-	-
Illinois Park District Liquid Asset Fund	3,936,306	3,936,306	-	-	-
	5,683,671	5,683,671	-	-	-

**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 (1) structuring the investment 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 (2) investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. The maturity of the District's investment in the Illinois Funds, IMET, and the Illinois Park District Liquid Asset Fund is 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. The Park District's investment policy limits its exposure to credit risk by (1) limiting investments to the safest type of investments, (2) pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the district will do business, and (3) diversifying the investment portfolio so that potential losses on individual securities will be minimized. At year-end, the District's investment in the Illinois Funds and the Illinois Park District Liquid Asset Fund was rated AAAM by Standard & Poor's and the debt securities ranged from A- to A++ (Standard and Poors). The Illinois Metropolitan Investment Trust Convenience Fund is not rated.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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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 – Continued**

**Concentration Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy limits concentration risk by diversifying investments by (1) limiting investments to avoid overconcentration of securities from a specific issuer or business sector (excluding U.S. Treasuries), (2) limiting investments in securities that have higher credit risks, (3) investing in securities with varying maturities, and (4) continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

At December 31, 2014 all of the District's investments are in compliance with the guidelines outlined above in the District's investment policy. At year-end, the District has over 5 percent of the total cash and investment portfolio invested in the Illinois Park District Liquid Asset Fund.

**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 collateral to be held by a neutral third-party, registered on the District's name, priced to the market on a regular basis and be valued at 102% of the uninsured portion of the deposit. At year-end the entire amount of the bank balance of the deposits was covered by 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. The District's investment policy does not address custodial credit risk for investments. At year-end, the District's investments in the Illinois Funds, IMET, and the Illinois Park District Liquid Asset Fund are not subject to custodial credit risk.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

##### **PROPERTY TAXES**

Property taxes for 2013 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 June 1, and September 1. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

##### **INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

###### **Interfund Transfers**

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfers Out</u>	<u>Amount</u>
Debt Service	General	\$ 183,833 (1)
Debt Service	Recreation	551,498 (2)
Debt Service	Capital Projects	607,819 (3)
Capital Projects	Recreation	1,400,000 (4)
Capital Projects	Nonmajor Governmental	<u>380,000 (5)</u>
		<u>3,123,150</u>

Transfers (1) and (2) are used to fund the debt service associated with IMRF pay down from 2013, (3) receipts restricted for debt service moved to the debt service fund as payment becomes due, (4) to fund capital projects, and (5) to fund the Special Recreation portion of capital items.

# PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

## Notes to the Financial Statements December 31, 2014

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

#### CAPITAL ASSETS

##### Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 3,248,634	-	-	3,248,634
Construction in Progress	4,476,208	2,708,892	217,822	6,967,278
	<u>7,724,842</u>	<u>2,708,892</u>	<u>217,822</u>	<u>10,215,912</u>
Depreciable Capital Assets				
Buildings	26,890,832	136,325	149,316	26,877,841
Improvements	10,192,080	890,428	25,488	11,057,020
Equipment	6,048,885	581,962	404,458	6,226,389
Vehicles	849,778	323,896	66,240	1,107,434
	<u>43,981,575</u>	<u>1,932,611</u>	<u>645,502</u>	<u>45,268,684</u>
Less Accumulated Depreciation				
Buildings	9,268,322	438,592	99,448	9,607,466
Improvements	6,019,636	253,863	18,213	6,255,286
Equipment	2,862,428	235,579	288,585	2,809,422
Vehicles	587,367	61,136	66,240	582,263
	<u>18,737,753</u>	<u>989,170</u>	<u>472,486</u>	<u>19,254,437</u>
Total Net Depreciable Capital Assets	<u>25,243,822</u>	<u>943,441</u>	<u>173,016</u>	<u>26,014,247</u>
Total Net Capital Assets	<u>32,968,664</u>	<u>3,652,333</u>	<u>390,838</u>	<u>36,230,159</u>

Depreciation expense was charged to governmental activities as follows:

Recreation	<u>\$ 989,170</u>
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## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Notes to the Financial Statements December 31, 2014

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

##### LONG-TERM DEBT

##### General Obligation Limited Tax Debt Certificates

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

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Limited Tax Debt Certificates of 2004, \$7,300,000 due in annual installments of \$110,000 to \$565,000 through December 15, 2014 plus interest at 4.20% to 4.80%.	\$ 380,000	-	380,000	-
General Obligation Limited Tax Debt Certificates of 2005, \$4,150,000 due in annual installments of \$105,000 to \$305,000 through December 15, 2014 plus interest at 3.50% to 4.05%.	215,000	-	215,000	-
General Obligation Limited Tax Refunding Debt Certificates of 2012, \$6,770,000 due in annual installments of \$35,000 to \$825,000 through December 15, 2023 plus interest at 2.00% to 3.00%.	6,675,000	-	35,000	6,640,000
Debt Certificates of 2013, \$8,755,000 due in annual installments of \$505,000 to \$685,000 through December 15, 2027 plus interest at 2.00% to 3.00%.	8,195,000	-	505,000	7,690,000
	15,465,000	-	1,135,000	14,330,000

# PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

## Notes to the Financial Statements December 31, 2014

### 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
Compensated Absences	\$ 582,646	221,802	443,604	360,844	72,169
General Obligation Limited Tax Debt Certificates	15,465,000	-	1,135,000	14,330,000	1,175,000
Unamortized Bond Premium	475,963	-	47,596	428,367	-
	<u>16,523,609</u>	<u>221,802</u>	<u>1,626,200</u>	<u>15,119,211</u>	<u>1,247,169</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund or the Recreation Fund. Payments on the general obligation limited tax debt certificates are made by the Debt Service Fund.

##### Debt Service Requirements to Maturity

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

Fiscal Year	General Obligation Limited Tax Debt Certificates	
	Principal	Interest
2015	\$ 1,175,000	379,863
2016	1,205,000	356,363
2017	1,230,000	325,513
2018	1,265,000	294,013
2019	1,295,000	261,563
2020	1,330,000	226,913
2021	1,365,000	191,288
2022	1,400,000	154,725
2023	1,440,000	115,725
2024	630,000	75,600
2025	645,000	59,850
2026	665,000	40,500
2027	685,000	20,544
Total	<u>14,330,000</u>	<u>2,502,460</u>

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Notes to the Financial Statements December 31, 2014

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

##### LONG-TERM DEBT – Continued

##### Legal Debt Margin

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

Assessed Valuation - 2014	<u>\$ 2,079,369,753</u>
Legal Debt Limit - 2.875% of Equalized Assessed Value	59,781,880
Amount of Debt Applicable to Limit	<u>14,330,000</u>
Legal Debt Margin	<u>45,451,880</u>

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Notes to the Financial Statements December 31, 2014

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

##### FUND BALANCE/NET POSITION

Net investment in capital assets consisted of the following as of December 31, 2014:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 36,230,159
Less Capital Related Debt:	
General Obligation Limited Tax Refunding Debt Certificates of 2012	(6,640,000)
Debt Certificates of 2013	(7,690,000)
Unamortized Bond Premiums	<u>(428,367)</u>
Net Investment in Capital Assets	<u>21,471,792</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.

**Committed Fund Balance.** The District reports committed fund balance in the Recreation Fund, a major fund. Formal Board action through passing an ordinance is required to establish, modify, or rescind a fund balance commitment. The District's Board has committed these funds to future culture and recreation expenditures.

**Assigned Fund Balance.** The District reports assigned fund balance in the Capital Projects Fund, a major fund. The District's Board, through the District's adopted fund balance policy, has given authority to management (Director of Finance), to assign these funds to future park improvement projects and equipment and vehicle purchases based on approved Board/management expenditures as determined through the annual budget process.

**Minimum Fund Balance Policy.** The District's policy manual states that the General Fund should maintain a minimum assigned fund balance level of three to four months (25-33%) and unassigned fund balance of four months (33%) of annual budgeted expenditures not including capital, debt service and interfund transfers. The District's policy manual states that the Recreation Fund should maintain a minimum assigned fund balance equal to 25% of budgeted expenditures not including capital, debt service and interfund transfers. Fund balances in excess of said levels may be transferred to the Capital Projects Fund at the discretion of the Board.



# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Notes to the Financial Statements December 31, 2014**

### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

#### **FUND BALANCE CLASSIFICATIONS – Continued**

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

	General	Recreation	Debt Service	Capital Projects	Nonmajor Special Recreation	Totals
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Inventory	\$ -	13,388	-	-	-	13,388
Prepays	4,965	48,954	-	556	-	54,475
	4,965	62,342	-	556	-	67,863
<b>Restricted</b>						
<b>Property Tax Levies</b>						
Audit	99,548	-	-	-	-	99,548
Police Protection	106,794	-	-	-	-	106,794
Special Recreation	-	-	-	-	147,331	147,331
<b>Debt Service Reserves</b>	-	-	152,436	-	-	152,436
	206,342	-	152,436	-	147,331	506,109
<b>Committed</b>						
<b>Future Recreation</b>						
Expenditures	-	7,340,426	-	-	-	7,340,426
<b>Assigned</b>						
<b>Capital Repair of Current</b>						
<b>Facilities and Development</b>						
<b>of Future Projects</b>	-	-	-	10,010,443	-	10,010,443
<b>Unassigned</b>	759,649	-	-	-	-	759,649
<b>Total Fund Balances</b>	970,956	7,402,768	152,436	10,010,999	147,331	18,684,490

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Notes to the Financial Statements December 31, 2014

#### NOTE 4 – OTHER INFORMATION

##### RISK MANAGEMENT

##### Park District Risk Management Agency (PDRMA)

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since 1984, the District has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability and workers compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect for the period January 1, 2014 to January 1, 2015:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
<b>PROPERTY</b>			
Property/Bldg/Contents			
All Losses per Occurrence	\$1,000	\$1,000,000	\$1,000,000,000/All Members
Flood/Except Zones A&V	\$1,000	\$1,000,000	\$250,000,000/Occurrence/Ann. Aggr.
Flood/Zones A&V	\$1,000	\$1,000,000	\$200,000,000/Occurrence/Ann. Aggr.
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/Occurrence/Ann. Aggr.
Auto Physical Damage			
Comprehensive and Collision	\$1,000	\$1,000,000	Included
Construction/Builders Risk	\$1,000	Included	\$25,000,000
Business Interruption, Rental			\$100,000,000/Reported Values
Income, Tax Income			\$500,000/\$2,500,000/
Combined	\$1,000		Non-Reported Values
Service Interruption	24 Hours	N/A	\$25,000,000
Boiler and Machinery			\$100,000,000 Equip. Breakdown
Property Damage	\$1,000	\$9,000	Property Damage - Included
Business Income	48 Hours	N/A	Included
Fidelity and Crime	\$1,000	\$24,000	\$2,000,000/Occurrence
Seasonal Employees	\$1,000	\$9,000	\$1,000,000/Occurrence
Blanket Bond	\$1,000	\$24,000	\$2,000,000/Occurrence
<b>WORKERS COMPENSATION</b>			
Workers Compensation	N/A	\$500,000	\$3,500,000 Employers Liability

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Notes to the Financial Statements December 31, 2014**

### **NOTE 4 – OTHER INFORMATION – Continued**

#### **RISK MANAGEMENT – Continued**

#### **Park District Risk Management Agency (PDRMA) – Continued**

<b>Coverage</b>	<b>Member Deductible</b>	<b>PDRMA Self-Insured Retention</b>	<b>Limits</b>
<b>LIABILITY</b>			
General	None	\$500,000	\$21,500,000/Occurrence
Auto Liability	None	\$500,000	\$21,500,000/Occurrence
Employment Practices	None	\$500,000	\$21,500,000/Occurrence
Public Officials' Liability	None	\$500,000	\$21,500,000/Occurrence
Law Enforcement Liability	None	\$500,000	\$21,500,000/Occurrence
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/Occurrence
<b>POLLUTION LIABILITY</b>			
Liability - Third Party	None	\$25,000	\$5,000,000/Occurrence
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 Year Aggregate
<b>OUTBREAK EXPENSE</b>			
Outbreak Expense	24 Hours	N/A	\$15,000/day, \$1,000,000 Aggr.
<b>INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA LIABILITY</b>			
Information Security & Privacy Liability	None	\$100,000	\$2,000,000/Occurrence/Annual Aggr.
Privacy Notification Costs	None	\$100,000	\$500,000/Occurrence/Annual Aggr.
Regulatory Defense & Penalties	None	\$100,000	\$2,000,000/Occurrence/Annual Aggr.
Website Media Content Liability	None	\$100,000	\$2,000,000/Occurrence/Annual Aggr.
Cyber Extortion	None	\$100,000	\$2,000,000/Occurrence/Annual Aggr.
Data Protection & Business Interruption	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggr.
First Party Business Interruption	8 Hours	\$100,000	\$25,000 Hourly Sublimit/\$25,000 Forensic
			Exp/\$100,000 Dependent Business Interruption
<b>VOLUNTEER MEDICAL ACCIDENT</b>			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense and AD&D
			Excess of any other Collectible Insurance
<b>UNDERGROUND STORAGE TANK LIABILITY</b>			
Underground Storage Tank Liability	None	N/A	\$10,000, Follows Illinois Leaking
			Underground Tank Fund
<b>UNEMPLOYMENT COMPENSATION</b>			
Unemployment Compensation	N/A	N/A	Statutory

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **RISK MANAGEMENT – Continued**

##### **Park District Risk Management Agency (PDRMA) – Continued**

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

As a member of PDRMA's Property/Casualty Program, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body.

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigations and settlement, and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

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

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2013 and the statement of revenues and expenses for the period ending December 31, 2013.

Assets	\$60,509,769
Liabilities	20,225,423
Member Balances	40,284,346
Revenues	20,737,466
Expenditures	17,177,774

The District's portion of the overall equity in the pool is 3.052% or \$1,229,567.

Since 97% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **RISK MANAGEMENT – Continued**

##### **Park District Risk Management Agency (PDRMA) Health Program**

Since September 1, 1992, the District has been a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001 the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

Members can choose to provide any combination of coverages available to their employees, and pay premiums accordingly.

As a member of the PDRMA Health Program, the District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and PDRMA Health Program is governed by a contract and by-laws that have been adopted by a resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

The following represents a summary of PDRMA's Health Program balance sheet at December 31, 2013 and the statement of revenues and expenses for the period ending December 31, 2013.

Assets	\$12,590,279
Liabilities	5,373,024
Member Balances	7,217,255
Revenues	29,398,825
Expenditures	28,975,036

A large percentage of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **POST-EMPLOYMENT BENEFITS**

In addition to providing pension benefits, the District provides certain health care insurance benefits for retired employees. In accordance with the personnel policy substantially all of the District's employees may become eligible for those benefits if they reach normal retirement age while working for the District. The retirees pay 100 percent of the annual premium for health insurance. The District's health insurance provider, PDRMA utilizes community based rates, which adjust for the demographics of the District's pool of participants, including age, etc. Therefore, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Additionally, the amount related to the explicit cost of former employees is immaterial to the financial statements.

##### **COMMITMENTS**

##### **SERVICE CONCESSION ARRANGEMENT FOR THE HIGHLAND PARK COUNTRY CLUB**

On December 31, 2014, the District entered into an agreement with the City of Highland Park, Illinois (the "City"), under which the District will be given the rights and assume the obligations for the planning, establishing, managing, operating and maintaining of the Highland Park Country Club (the "Country Club") for 99 years commencing on the date hereof and ending December 31, 2113. The District is required to use the Country Club for the recreational needs of the City as outlined by the agreement, including the 18-hole golf course, the golf driving range, unless approved with the City's advance written consent. The District is also required to maintain the Country Club in accordance with the agreement. The District will pay to the City as rent for the Country Club a sum equal to the 50% of the net revenue per year for the length of the agreement and if there is a loss it is solely the District's responsibility. No payment was owed to the City from the District for the nine months ended December 31, 2014.

Beginning January 1, 2015, the District has agreed to use Kemper Sports Management, Inc. (Kemper) to operate all activities of the Country Club until December 31, 2015 unless extended by both parties. The District will pay Kemper a fixed management fee and an incentive fee if the conditions of the agreement are met. No payment was owed to Kemper from the District for the nine months ended December 31, 2014.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **JOINT VENTURE**

###### **Northern Suburban Special Recreation Association (NSSRA)**

The District, along with eleven other park districts, has entered into a joint agreement to provide cooperative recreational programs and other activities for handicapped and impaired individuals. Each member agency shares equally in the Association and generally provides funding based on up to .0400 cents per \$100 of its equalized assessed valuation. The District contributed \$268,994 to the Association during the nine month year ended December 31, 2014. The District does not have a direct financial interest in the Association and, therefore, its investment therein is not reported within the financial statements. Upon dissolution of the Association, the assets, if any, shall be divided among the members in accordance with an equitable formula as determined by a unanimous vote of the Board of Directors of the Association.

A complete, separate financial statement for the Association can be obtained from the Association's administrative offices at 3104 MacArthur Blvd., Northbrook, Illinois 60062.

##### **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.

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN**

###### **Plan Descriptions, Provisions and Funding Policies**

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. The Illinois Pension Code establishes the benefit provisions of the plan; those provisions can only be amended by the Illinois General Assembly. IMRF provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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 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.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) with 8 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. For participating members hired on or after January 1, 2011 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The District is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2014 was 7.98 percent.



## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Notes to the Financial Statements December 31, 2014

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#### NOTE 4 – OTHER INFORMATION – Continued

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

##### Funding Policy and Annual Pension Cost

For December 31, 2014, the District's annual pension cost of \$532,500 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year, depending on age and service, attributable to seniority/merit, (d) post-retirement benefit increases of 3.0% annually and (e) an inflation rate of 4.0%. The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 29 years.

##### Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 891,050	100.00%	None
2014	931,427	100.00%	None
2014*	532,500	100.00%	None

\* For the nine months ended December 31, 2014

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Notes to the Financial Statements December 31, 2014**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

#### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

##### **Funded Status and Funding Progress**

The District's funded status for the current year and related information for IMRF is as follows:

Actuarial Valuation Date	12/31/14
Percent Funded	121.94%
Actuarial Accrued Liability for Benefits	\$20,678,709
Actuarial Value of Assets	\$25,216,399
Over (Under) Funded Actuarial Accrued Liability (UAAL)	\$4,537,690
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$6,672,929
Ratio of UAAL to Covered Payroll	(68.00)%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule of Funding Progress and Employer Contributions  
Illinois Municipal Retirement Fund
- 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.

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2014**

**Funding Progress**

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2009	\$ 11,012,858	\$ 17,421,902	63.21%	\$ 6,409,044	\$ 6,259,653	102.39%
2010	11,066,852	17,021,601	65.02%	5,954,749	6,156,350	96.73%
2011	11,319,036	17,535,406	64.55%	6,216,370	6,040,956	102.90%
2012	19,284,330	19,130,452	100.80%	(153,878)	6,475,654	(2.38)%
2013	22,700,902	20,699,141	109.67%	(2,001,761)	6,720,255	(29.79)%
2014	25,216,399	20,678,709	121.94%	(4,537,690)	6,672,929	(68.00)%

**Employer Contributions**

Fiscal Period Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
3/31/2010	\$ 645,996	\$ 645,996	100.00%
3/31/2011	818,795	818,795	100.00%
3/31/2012	830,631	830,631	100.00%
3/31/2013	891,050	891,050	100.00%
3/31/2014	931,427	931,427	100.00%
12/31/2014	532,500	532,500	100.00%

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS****General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Nine Months Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 4,415,000	4,415,000	4,088,095
Replacement	135,000	135,000	121,086
Charges for Services			
Fees and Charges	29,600	29,600	21,160
Sales and Rental	200	200	273
Grants and Donations	-	-	12,000
Interest	8,200	8,200	75,929
Miscellaneous	5,075	5,075	21,873
Total Revenues	4,593,075	4,593,075	4,340,416
Expenditures			
General Government			
Salaries	2,180,763	2,180,763	1,909,237
Services	849,002	849,002	801,040
Insurance	546,813	546,813	692,815
Utilities	77,067	77,067	64,273
Materials and Supplies	267,068	267,068	208,790
Landscape and Maintenance	134,899	134,899	90,388
Pension Contributions	360,007	360,007	304,070
Capital Outlay	-	-	31,705
Total Expenditures	4,415,619	4,415,619	4,102,318
Excess (Deficiency) of Revenues Over (Under) Expenditures	177,456	177,456	238,098
Other Financing (Uses)			
Transfers Out	(175,591)	(175,591)	(183,833)
Net Change in Fund Balance	1,865	1,865	54,265
Fund Balance - Beginning			916,691
Fund Balance - Ending			970,956

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS****Recreation - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Nine Months Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 5,137,250	5,137,250	5,395,108
Charges for Services			
Fees and Charges	2,259,754	2,259,754	2,161,737
Instruction Fees	3,841,087	3,841,087	3,654,027
Sales and Rental	1,041,314	1,041,314	1,102,851
Grants and Donations	3,500	3,500	(1,508)
Interest	48,353	48,353	-
Miscellaneous	90,115	90,115	66,413
Total Revenues	<u>12,421,373</u>	<u>12,421,373</u>	<u>12,378,628</u>
Expenditures			
Recreation	9,109,832	9,109,832	8,641,276
Capital Outlay	113,090	113,090	74,874
Total Expenditures	<u>9,222,922</u>	<u>9,222,922</u>	<u>8,716,150</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,198,451	3,198,451	3,662,478
Other Financing (Uses)			
Transfers Out	<u>(1,926,772)</u>	<u>(1,926,772)</u>	<u>(1,951,498)</u>
Net Change in Fund Balance	<u>1,271,679</u>	<u>1,271,679</u>	1,710,980
Fund Balance - Beginning			<u>5,691,788</u>
Fund Balance - Ending			<u>7,402,768</u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
  - Recreation – Special Revenue Fund
  - Debt Service Fund
  - Capital Projects Fund
- Budgetary Comparison Schedule – Nonmajor Governmental Fund
  - Special Recreation – Special Revenue Fund

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

## **GENERAL FUND**

The General Fund accounts 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 capital projects funds) that are legally restricted to expenditure for specified purposes.

### **Recreation**

The Recreation Fund is used to account for the operations of the recreation programs. Financing is provided primarily from an annual property tax levy, and from fees charged for programs and activities.

### **Special Recreation**

The Special Recreation Fund is used to account for revenues derived from a specific annual property tax levy and expenditures of these monies to the Northern Suburban Special Recreation Association to provide special recreation programs for the physically and mentally handicapped.

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## **DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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## **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for financial resources acquired through bond issue which are to be used for improvements to existing park facilities and for maintenance supplies and staff for the general upkeep of all parks within the District.

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**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Recreation - Special Revenue Fund**

**Schedule of Expenditures - Budget and Actual  
For the Nine Months Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Recreation			
Salaries	\$ 3,513,173	3,513,173	3,334,535
Services	917,132	917,132	732,120
Insurance	643,131	643,131	576,445
Utilities	452,952	452,952	494,541
Materials and Supplies	380,581	380,581	389,777
Landscape and Maintenance	303,324	303,324	263,182
Program Expenditures	2,382,517	2,382,517	2,363,577
Pension Contributions	517,022	517,022	487,099
Total Recreation	9,109,832	9,109,832	8,641,276
Capital Outlay	113,090	113,090	74,874
Total Expenditures	9,222,922	9,222,922	8,716,150

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Nine Months Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 17,700	17,700	-
Expenditures			
Debt Service			
Principal	1,135,000	1,135,000	1,135,000
Interest and Fiscal Charges	420,300	420,300	417,775
Total Expenditures	1,555,300	1,555,300	1,552,775
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,537,600)	(1,537,600)	(1,552,775)
Other Financing Sources			
Transfers In	1,519,663	1,519,663	1,343,150
Net Change in Fund Balance	(17,937)	(17,937)	(209,625)
Fund Balance - Beginning			362,061
Fund Balance - Ending			152,436

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Capital Projects Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Nine Months Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Grants and Donations	\$ 26,491	26,491	60,525
Interest	120,200	120,200	-
Miscellaneous	180,000	180,000	56,882
Total Revenues	326,691	326,691	117,407
Expenditures			
General Government	313,000	313,000	58,391
Capital Outlay	6,940,000	6,940,000	4,970,181
Total Expenditures	7,253,000	7,253,000	5,028,572
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,926,309)	(6,926,309)	(4,911,165)
Other Financing Sources (Uses)			
Transfers In	2,560,400	2,560,400	1,780,000
Transfers Out	(817,300)	(817,300)	(607,819)
	1,743,100	1,743,100	1,172,181
Net Change in Fund Balance	(5,183,209)	(5,183,209)	(3,738,984)
Fund Balance - Beginning			13,749,983
Fund Balance - Ending			10,010,999

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Special Recreation - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Nine Months Ended December 31, 2014**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 876,182	876,182	830,017
Interest	6,600	6,600	-
Total Revenues	882,782	882,782	830,017
Expenditures			
Recreation			
Services	404,222	404,222	319,586
Capital Outlay	16,104	16,104	19,016
Total Expenditures	420,326	420,326	338,602
Excess (Deficiency) of Revenues Over (Under) Expenditures	462,456	462,456	491,415
Other Financing (Uses)			
Transfers Out	(1,160,400)	(1,160,400)	(380,000)
Net Change in Fund Balance	(697,944)	(697,944)	111,415
Fund Balance - Beginning			35,916
Fund Balance - Ending			147,331

## **SUPPLEMENTAL SCHEDULES**

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Long-Term Debt Requirements

#### General Obligation Limited Tax Refunding Debt Certificates of 2012 December 31, 2014

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Date of Issue	July 16, 2012
Date of Maturity	December 15, 2023
Authorized Issue	\$6,770,000
Interest Rates	2.00% - 3.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, Chicago IL

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

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2015	\$ 660,000	192,600	852,600	2015	96,300	2015	96,300
2016	675,000	179,400	854,400	2016	89,700	2016	89,700
2017	690,000	159,150	849,150	2017	79,575	2017	79,575
2018	715,000	138,450	853,450	2018	69,225	2018	69,225
2019	735,000	117,000	852,000	2019	58,500	2019	58,500
2020	760,000	94,950	854,950	2020	47,475	2020	47,475
2021	780,000	72,150	852,150	2021	36,075	2021	36,075
2022	800,000	48,750	848,750	2022	24,375	2022	24,375
2023	825,000	24,750	849,750	2023	12,375	2023	12,375
	<u>6,640,000</u>	<u>1,027,200</u>	<u>7,667,200</u>		<u>513,600</u>		<u>513,600</u>

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Long-Term Debt Requirements

#### Debt Certificates of 2013

December 31, 2014

Date of Issue	April 9, 2013
Date of Maturity	December 15, 2027
Authorized Issue	\$8,755,000
Interest Rates	2.00% - 3.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, Chicago IL

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

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2015	\$ 515,000	187,263	702,263	2015	93,631	2015	93,632
2016	530,000	176,963	706,963	2016	88,481	2016	88,482
2017	540,000	166,363	706,363	2017	83,181	2017	83,182
2018	550,000	155,563	705,563	2018	77,781	2018	77,782
2019	560,000	144,563	704,563	2019	72,281	2019	72,282
2020	570,000	131,963	701,963	2020	65,981	2020	65,982
2021	585,000	119,138	704,138	2021	59,569	2021	59,569
2022	600,000	105,975	705,975	2022	52,987	2022	52,988
2023	615,000	90,975	705,975	2023	45,487	2023	45,488
2024	630,000	75,600	705,600	2024	37,800	2024	37,800
2025	645,000	59,850	704,850	2025	29,925	2025	29,925
2026	665,000	40,500	705,500	2026	20,250	2026	20,250
2027	685,000	20,544	705,544	2027	10,272	2027	10,272
	<u>7,690,000</u>	<u>1,475,260</u>	<u>9,165,260</u>		<u>737,626</u>		<u>737,634</u>

## **STATISTICAL SECTION**

### **(Unaudited)**

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

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District'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.



**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***  
**December 31, 2014 (Unaudited)**

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**See Following Page**

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***  
**December 31, 2014 (Unaudited)**

	Fiscal Year Ended 3/31/2006	Fiscal Year Ended 3/31/2007	Fiscal Year Ended 3/31/2008
Governmental Activities			
Net Investment in Capital Assets	\$ 15,836,824	16,670,768	17,015,571
Restricted	-	-	-
Unrestricted	24,945,355	26,461,923	28,829,690
Total Primary Government	40,782,179	43,132,691	45,845,261

\* Accrual Basis of Accounting

Fiscal Year Ended 3/31/2009	Fiscal Year Ended 3/31/2010	Fiscal Year Ended 3/31/2011	Fiscal Year Ended 3/31/2012	Fiscal Year Ended 3/31/2013	Fiscal Year Ended 3/31/2014	Nine Months Ended 12/31/2014
16,980,051	17,324,368	18,453,824	19,172,217	20,340,870	20,263,950	21,471,792
-	-	5,665,680	3,526,882	3,165,145	892,981	490,281
25,718,231	33,970,537	18,474,656	20,952,528	14,192,490	15,923,143	17,817,537
42,698,282	51,294,905	42,594,160	43,651,627	37,698,505	37,080,074	39,779,610

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Changes in Net Position - Last Ten Fiscal Years\*** **December 31, 2014 (Unaudited)**

	Fiscal Year Ended 3/31/2006	Fiscal Year Ended 3/31/2007	Fiscal Year Ended 3/31/2008
Expenses			
General Government	\$ -	-	-
Recreation	16,427,341	17,183,796	17,502,723
Interest on Long-Term Debt	657,939	547,617	744,770
Total Primary Government Expenses	17,085,280	17,731,413	18,247,493
Program Revenues			
Charges for Services			
Recreation	7,907,049	8,267,444	8,850,572
Operating Grants/Contributions	294,566	401,335	327,872
Capital Grants/Contributions	-	-	-
Total Primary Government Program Revenues	8,201,615	8,668,779	9,178,444
Total Primary Government Net (Expense) Revenue	(8,883,665)	(9,062,634)	(9,069,049)
General Revenues and Other Changes in Net Position			
Taxes			
Property	9,133,244	9,566,128	10,205,163
Replacement	135,415	147,692	176,501
Impact Fees	124,250	153,768	134,826
Interest	659,509	934,331	878,417
Miscellaneous	301,061	611,227	386,711
Total Primary Government	10,353,479	11,413,146	11,781,618
Changes in Net Position			
Total Primary Government	1,469,814	2,350,512	2,712,569

\* Accrual Basis of Accounting

Fiscal Year Ended 3/31/2009	Fiscal Year Ended 3/31/2010	Fiscal Year Ended 3/31/2011	Fiscal Year Ended 3/31/2012	Fiscal Year Ended 3/31/2013	Fiscal Year Ended 3/31/2014	Nine Months Ended 12/31/2014
-	4,375,300	4,280,808	4,413,988	11,825,208	5,706,274	3,907,202
22,443,337	13,260,341	13,511,109	12,881,240	13,937,646	13,081,135	10,795,143
444,921	455,332	401,313	367,934	783,395	325,218	264,587
22,888,258	18,090,973	18,193,230	17,663,162	26,546,249	19,112,627	14,966,932
9,420,692	8,972,249	8,705,561	8,190,406	8,306,731	8,153,219	6,940,048
268,125	335,767	246,781	238,034	176,675	260,254	-
-	-	-	-	-	-	71,017
9,688,817	9,308,016	8,952,342	8,428,440	8,483,406	8,413,473	7,011,065
(13,199,441)	(8,782,957)	(9,240,888)	(9,234,722)	(18,062,843)	(10,699,154)	(7,955,867)
10,633,998	10,667,644	10,737,943	9,757,439	9,604,889	9,609,488	10,313,220
158,269	144,136	151,796	138,583	137,129	157,206	121,086
13,600	9,500	-	-	-	-	-
798,124	432,492	205,327	228,671	241,443	147,297	75,929
381,612	346,370	248,165	167,496	151,298	166,732	145,168
11,985,603	11,600,142	11,343,231	10,292,189	10,134,759	10,080,723	10,655,403
(1,213,838)	2,817,185	2,102,343	1,057,467	(7,928,084)	(618,431)	2,699,536

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Fund Balances of Governmental Funds - Last Ten Fiscal Years\* December 31, 2014 (Unaudited)**

	Fiscal Year Ended 3/31/2006	Fiscal Year Ended 3/31/2007	Fiscal Year Ended 3/31/2008	Fiscal Year Ended 3/31/2009
<b>General Fund</b>				
Reserved	-	-	-	15,542
Unreserved	\$ 2,543,410	2,980,887	3,465,744	3,975,834
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total General Fund</b>	<b>2,543,410</b>	<b>2,980,887</b>	<b>3,465,744</b>	<b>3,991,376</b>
<b>All Other Governmental Funds</b>				
Reserved	-	-	-	187,176
Unreserved, Reported in				
Special Revenue Funds	6,758,127	8,304,882	9,665,287	11,162,636
Debt Service Funds	64,588	179,361	230,296	279,909
Capital Projects Funds	6,330,500	5,551,565	5,612,213	5,789,486
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>13,153,215</b>	<b>14,035,808</b>	<b>15,507,796</b>	<b>17,419,207</b>
<b>Total Governmental Funds</b>	<b>15,696,625</b>	<b>17,016,695</b>	<b>18,973,540</b>	<b>21,410,583</b>

\* Modified Accrual Basis of Accounting

The District implemented GASB Statement No. 54 for the fiscal year 2012.

Fiscal Year Ended 3/31/2010	Fiscal Year Ended 3/31/2011	Fiscal Year Ended 3/31/2012	Fiscal Year Ended 3/31/2013	Fiscal Year Ended 3/31/2014	Nine Months Ended 12/31/2014
7,563	2,483,765	-	-	-	-
4,462,548	2,397,067	-	-	-	-
-	-	8,691	7,802	6,778	4,965
-	-	1,828,620	1,312,195	301,814	206,342
-	-	2,471,600	-	-	-
-	-	3,019,925	(177,286)	608,099	759,649
4,470,111	4,880,832	7,328,836	1,142,711	916,691	970,956
200,327	3,379,208	-	-	-	-
13,032,810	10,869,322	-	-	-	-
321,114	-	-	-	-	-
5,909,615	5,681,538	-	-	-	-
-	-	198,174	215,373	225,039	62,898
-	-	1,803,191	1,924,232	712,587	299,767
-	-	11,290,491	3,567,084	5,250,834	7,340,426
-	-	4,565,763	11,235,296	13,749,983	10,010,443
-	-	-	-	(98,695)	-
19,463,866	19,930,068	17,857,619	16,941,985	19,839,748	17,713,534
23,933,977	24,810,900	25,186,455	18,084,696	20,756,439	18,684,490

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\* December 31, 2014 (Unaudited)**

	Fiscal Year Ended 3/31/2006	Fiscal Year Ended 3/31/2007	Fiscal Year Ended 3/31/2008
<b>Revenues</b>			
Taxes	\$ 8,275,653	9,319,222	9,769,372
Charges for Services	7,907,049	8,822,547	9,313,270
Interest	373,259	934,331	878,416
Grants and Donations	-	-	-
Miscellaneous	204,121	611,227	386,711
<b>Total Revenues</b>	<b>16,760,082</b>	<b>19,687,327</b>	<b>20,347,769</b>
<b>Expenditures</b>			
General Government	2,886,088	3,602,456	3,795,556
Recreation	9,476,833	9,823,795	10,438,784
Pension Contributions	1,002,950	1,096,341	1,232,339
Capital Outlay	93,074	2,690,231	1,753,128
Debt Service			
Principal Retirement	-	-	1,915,000
Interest and Fiscal Charges	1,067,939	2,430,617	533,380
<b>Total Expenditures</b>	<b>14,526,884</b>	<b>19,643,440</b>	<b>19,668,187</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,233,198</b>	<b>43,887</b>	<b>679,582</b>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	2,266,490	1,275,880	1,277,264
Premium on Debt Issuance	-	-	-
Discount on Debt Issuance	-	-	-
Payment to Escrow Agent	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,266,490</b>	<b>1,275,880</b>	<b>1,277,264</b>
<b>Net Change in Fund Balances</b>	<b>4,499,688</b>	<b>1,319,767</b>	<b>1,956,846</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>7%</b>	<b>12%</b>	<b>12%</b>

\* Modified Accrual Basis of Accounting

Note: As of March 31, 2011 Pension Contributions are included in General Government expenditures.



Fiscal Year Ended 3/31/2009	Fiscal Year Ended 3/31/2010	Fiscal Year Ended 3/31/2011	Fiscal Year Ended 3/31/2012	Fiscal Year Ended 3/31/2013	Fiscal Year Ended 3/31/2014	Nine Months Ended 12/31/2014
10,307,816	10,811,780	10,889,739	9,896,022	9,742,018	9,766,694	10,434,306
9,702,417	8,985,791	8,705,561	8,190,406	8,306,731	8,153,219	6,940,048
798,124	432,492	205,327	228,671	176,675	260,254	75,929
-	-	246,781	238,034	241,443	147,297	71,017
381,612	678,291	248,165	167,496	151,298	166,732	145,168
21,189,969	20,908,354	20,295,573	18,720,629	18,618,165	18,494,196	17,666,468
4,208,532	4,026,970	4,358,433	4,370,856	11,771,545	5,779,407	4,129,004
11,208,100	10,423,472	11,638,820	11,354,779	11,025,750	10,750,785	8,960,862
1,354,522	1,368,432	-	-	-	-	-
1,418,003	1,389,837	1,186,728	1,704,837	2,013,935	6,554,585	5,095,776
1,935,000	1,960,000	1,805,000	530,000	610,000	1,170,000	1,135,000
508,338	528,807	429,669	384,602	402,318	388,404	417,775
20,632,495	19,697,518	19,418,650	18,345,074	25,823,548	24,643,181	19,738,417
557,474	1,210,836	876,923	375,555	(7,205,383)	(6,148,985)	(2,071,949)
1,270,000	1,300,000	-	-	6,770,000	8,755,000	-
24,765	12,558	-	-	571,155	65,728	-
-	-	-	-	(33,769)	-	-
-	-	-	-	(7,203,762)	-	-
1,240,087	1,362,015	3,444,976	4,257,986	22,809,287	2,147,403	3,123,150
(1,240,087)	(1,362,015)	(3,444,976)	(4,257,986)	(22,809,287)	(2,147,403)	(3,123,150)
1,294,765	1,312,558	-	-	103,624	8,820,728	-
1,852,239	2,523,394	876,923	375,555	(7,101,759)	2,671,743	(2,071,949)
12%	13%	12%	5%	4%	8%	10%

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
December 31, 2014 (Unaudited)**

Tax Levy Year	Residential Property	Farm	Commercial Property
2005	\$ 2,139,644,138	\$ 1,083,297	\$ 181,409,394
2006	2,338,099,517	1,172,950	203,809,524
2007	2,479,300,011	343	232,316,880
2008	2,580,496,149	7,820	237,246,008
2009	2,514,077,611	413	226,335,788
2010	2,372,304,047	454	213,064,426
2011	2,147,385,990	499	205,558,934
2012	1,995,281,283	549	193,428,436
2013	1,900,644,387	603	186,978,939
2014	1,890,248,722	665	187,084,550

				Total Taxable Assessed Value	Total Direct Tax Rate
Industrial Property	Railroad Property	Less: Tax-Exempt Property			
\$ 8,230	\$ 506,518	\$ -	\$ 2,322,651,577	0.397	
8,984	698,651	-	2,543,789,626	0.378	
430,159	901,876	-	2,712,949,269	0.377	
470,017	797,923	-	2,819,017,917	0.380	
567,093	919,688	-	2,741,900,593	0.394	
545,760	1,099,257	-	2,587,013,944	0.379	
476,191	961,743	-	2,354,383,357	0.410	
464,616	1,280,511	-	2,190,455,395	0.445	
447,194	1,534,284	-	2,089,605,407	0.497	
444,603	1,591,213	-	2,079,369,753	N/A	

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2014 (Unaudited)**

	2004	2005	2006	2007
<b>District</b>				
Corporate	0.100	0.098	0.099	0.100
IMRF	0.020	0.020	0.020	0.019
Police Protection	0.009	0.009	0.007	0.007
Audit	0.002	0.001	0.001	0.001
Liability Insurance	0.025	0.025	0.021	0.017
Recreation for Handicapped	0.026	0.024	0.020	0.025
Recreation	0.086	0.078	0.075	0.075
Recreation and Community Center	0.071	0.065	0.064	0.065
Bonds and Interest	0.066	0.059	0.053	0.050
Museum	0.017	0.018	0.018	0.018
<b>Total Direct Rates</b>	<b>0.422</b>	<b>0.397</b>	<b>0.378</b>	<b>0.377</b>
<b>Overlapping Rates</b>				
Lake County	0.465	0.454	0.450	0.444
Lake County Forest Preserve District	0.219	0.210	0.204	0.201
Moraine Township	0.047	0.045	0.044	0.044
City of Highland Park	0.624	0.405	0.532	0.517
North Shore Sanitary District	0.083	0.132	0.125	0.120
South Lake Mosquito Abatement	0.012	0.012	0.012	0.011
Elementary School Districts	2.472	2.390	2.298	2.198
High School District	1.758	1.686	1.635	1.614
Community College District 532	0.200	0.197	0.195	0.192
<b>Total Direct and Overlapping Rates</b>	<b>6.302</b>	<b>5.928</b>	<b>5.873</b>	<b>5.718</b>

Data Source: Office of the County Clerk

Note: Rates are per \$1,000 of Assessed Value

2008	2009	2010	2011	2012	2013
0.101	0.103	0.136	0.150	0.256	0.197
0.019	0.022	0.016	0.017	-	-
0.009	0.010	0.011	0.012	-	-
0.001	0.001	-	-	-	-
0.016	0.015	0.008	0.009	-	-
0.025	0.024	0.026	0.028	0.018	0.040
0.077	0.069	0.074	0.081	0.171	0.260
0.065	0.082	0.087	0.090	-	-
0.048	0.049	-	-	-	-
0.019	0.019	0.021	0.023	-	-
0.380	0.394	0.379	0.410	0.445	0.497
0.453	0.464	0.505	0.554	0.808	0.663
0.199	0.200	0.198	0.201	0.212	0.218
0.045	0.047	0.052	0.059	0.066	0.070
0.515	0.536	0.586	0.643	0.709	0.785
0.121	0.124	0.136	0.150	0.150	0.164
0.011	0.012	0.013	0.014	0.150	0.007
2.283	2.387	2.551	2.818	2.957	3.076
1.660	1.748	1.921	2.167	2.178	2.364
0.196	0.200	0.218	0.240	0.240	0.296
5.863	6.112	6.559	7.256	7.915	8.140

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago December 31, 2014 (Unaudited)**

Taxpayer	Tax Year 2014			Tax Year 2004		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Metzler I Renaissance Place, LLC	\$ 9,874,309	1	0.45%			
Midwest Family Housing, LLC	7,933,281	2	0.41%			
Federal Realty Investment Trust	6,497,935	3	0.30%	\$ 6,883,716	3	0.30%
Highland Park Associates II, LLC	4,315,565	4	0.20%			
Klairmont Enterprises, Inc.	4,271,585	5	0.20%	4,337,825	5	0.19%
Americana Apartments	3,898,505	6	0.18%	4,444,000	4	0.19%
Sunset Food Market	3,578,858	7	0.16%	3,035,972	10	0.13%
Ameritech-Illinois	3,556,747	8	0.16%			
Evergreen Real Estate Services	3,087,485	9	0.14%			
RSV Partners	3,751,434	10	0.13%			
Lasalle Bank				13,025,574	1	0.56%
Renaissance Place c/o Davis Street				7,669,630	2	0.33%
Solo Cup Company				4,180,422	6	0.18%
Leonardi Enterprises				3,384,138	7	0.15%
Target Corporation				3,350,000	8	0.14%
American Stores Company				3,207,839	9	0.14%
	<u>50,765,704</u>		<u>2.33%</u>	<u>53,519,116</u>		<u>2.30%</u>

Data Source: Office of the County Clerk

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Property Tax Levies and Collections - Last Ten Fiscal Years December 31, 2014 (Unaudited)**

Fiscal Year Ended	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
3/31/2006	2005	\$ 9,220,927	\$ 9,171,531	99.46%	\$ -	\$ 9,171,531	99.46%
3/31/2007	2006	9,615,524	9,561,971	99.44%	-	9,561,971	99.44%
3/31/2008	2007	10,227,819	10,149,547	99.23%	-	10,149,547	99.23%
3/31/2009	2008	10,712,269	10,667,644	99.58%	-	10,667,644	99.58%
3/31/2010	2009	10,803,088	10,737,943	99.40%	-	10,737,943	99.40%
3/31/2011	2010	9,804,783	9,757,439	99.52%	-	9,757,439	99.52%
3/31/2012	2011	9,652,972	9,604,889	99.50%	-	9,604,889	99.50%
3/31/2013	2012	9,747,527	9,609,488	98.58%	-	9,609,488	98.58%
3/31/2014	2013	10,385,339	10,313,220	99.31%	-	10,313,220	99.31%
12/31/2014*	2014	10,566,317	N/A	N/A	N/A	N/A	N/A

Data Source: Office of the County Clerk/Park District Financial Records

Note: 2014 Tax Levy is Collected in Revenue in Fiscal Year 2015

\* For the nine month year ended December 31, 2014.

N/A - Not available

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Ratios of Outstanding Debt by Type - Last Ten Fiscal Years December 31, 2014 (Unaudited)

Fiscal Year Ended	Governmental Activities General Obligation Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
3/31/2006	\$ 13,300,000	\$ 13,300,000	0.63%	\$ 430
3/31/2007	12,680,000	12,680,000	0.60%	408
3/31/2008	12,035,000	12,035,000	0.57%	385
3/31/2009	11,370,000	11,370,000	0.53%	361
3/31/2010	10,850,245	10,850,245	0.51%	344
3/31/2011	9,035,228	9,035,228	0.42%	287
3/31/2012	8,495,211	8,495,211	0.43%	284
3/31/2013	8,403,559	8,403,559	0.42%	282
3/31/2014	15,940,963	15,940,963	0.80%	536
12/31/2014*	14,758,367	14,758,367	0.74%	496

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

\* For the nine month year ended December 31, 2014.



# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years December 31, 2014 (Unaudited)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Available</b>	<b>Total</b>	<b>Percentage of Total Taxable Assessed Value of Property (1)</b>	<b>Per Capita (2)</b>
3/31/2006	\$ 13,300,000	\$ 64,588	\$ 13,235,412	0.52%	\$ 428
3/31/2007	12,680,000	179,361	12,500,639	0.46%	402
3/31/2008	12,035,000	230,296	11,804,704	0.42%	378
3/31/2009	11,370,000	279,909	11,090,091	0.40%	352
3/31/2010	10,710,000	321,114	10,388,886	0.40%	330
3/31/2011	8,905,000	228,215	8,676,785	0.37%	275
3/31/2012	8,375,000	110,758	8,264,242	0.38%	277
3/31/2013	8,403,559	269,255	8,134,304	0.39%	273
3/31/2014	15,940,963	240,641	15,700,322	0.76%	528
12/31/2014*	14,758,367	136,608	14,621,759	0.70%	491

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

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

\* For the nine month year ended December 31, 2014.

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS****Schedule of Direct and Overlapping Governmental Activities Debt  
December 31, 2014 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to District (1)	District's Share of Debt
District	\$ 14,758,367	100.00%	\$ 14,758,367
Overlapping Debt			
Lake County Forest Preserve District	33,495,000	8.83%	2,957,609
City of Highland Park	47,200,000	100.00%	47,200,000
School District 109	12,260,000	6.10%	747,860
Community College District 532	76,910,000	9.60%	7,383,360
High School District 113	90,515,000	55.53%	50,262,980
Village of Deerfield	40,925,000	2.43%	994,478
School District 112	1,205,000	94.25%	1,135,713
Total Overlapping Debt	302,510,000	276.74%	110,681,998
Total Direct and Overlapping Debt	317,268,367		125,440,365

Data Source: Lake County Tax Extension Department

(1) Determined by ratio of assessed valuation of property subject to taxation in the District to valuation of property subject to taxation in overlapping unit.

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

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**See Following Page**

**PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

**Schedule of Legal Debt Margin - Last Ten Fiscal Years  
December 31, 2014 (Unaudited)**

	Fiscal Year Ended 3/31/2006	Fiscal Year Ended 3/31/2007	Fiscal Year Ended 3/31/2008	Fiscal Year Ended 3/31/2009
Legal Debt Limit	\$ 22,258,744	24,377,984	25,999,097	27,015,591
Total Net Debt Applicable to Limit	13,300,000	12,680,000	12,035,000	11,370,000
Legal Debt Margin	8,958,744	11,697,984	13,964,097	15,645,591
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	59.75%	52.01%	46.29%	42.09%

Fiscal Year Ended 3/31/2010	Fiscal Year Ended 3/31/2011	Fiscal Year Ended 3/31/2012	Fiscal Year Ended 3/31/2013	Fiscal Year Ended 3/31/2014	Nine Months Ended 12/31/2014
26,276,547	24,792,217	22,562,841	67,688,522	60,076,155	59,781,880
10,710,000	8,905,000	8,375,000	7,880,000	15,465,000	14,330,000
15,566,547	15,887,217	14,187,841	59,808,522	44,611,155	45,451,880
40.76%	35.92%	37.12%	11.64%	25.74%	23.97%

Legal Debt Margin Calculation for the Nine Months Ended December 31, 2014

Assessed Value	<u>\$ 2,079,369,753</u>
Bonded Debt Limit - 2.875% of Assessed Value	59,781,880
Amount of Debt Applicable to Limit	<u>14,330,000</u>
Legal Debt Margin	<u>45,451,880</u>

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2014 (Unaudited)

Fiscal Year Ended	(1) Population	(2) Personal Income	(3) Per Capita Personal Income	(4) Unemployment Rate
3/31/2006	30,936	\$ 2,103,276,768	\$ 67,988	3.10%
3/31/2007	31,106	2,114,834,728	67,988	2.80%
3/31/2008	31,231	2,123,333,228	67,988	3.30%
3/31/2009	31,516	2,142,709,808	67,988	4.30%
3/31/2010	31,516	2,142,709,808	67,988	6.20%
3/31/2011	31,516	2,142,709,808	67,988	6.70%
3/31/2012	29,882	1,977,740,170	66,185	5.60%
3/31/2013	29,763	2,024,003,052	68,004	5.70%
3/31/2014	29,763	2,002,067,721	67,267	6.30%
12/31/2014*	29,763	2,002,067,721	67,267	6.30%

Data Source: (1) Population: 2000/2010 Lake County "Population and Housing Occupancy-2010" from  
U.S. Census Bureau [www.lakecountyil.gov/Planning](http://www.lakecountyil.gov/Planning)  
(2) Personal Income equals (1) x (3): 2010 Census from Census Bureau  
(4) Unemployment Rate: Illinois Department of Employment Security (IDES)  
<http://lmi.ides.state.il.us/laus/town>

\* For the nine month year ended December 31, 2014.

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago December 31, 2014 (Unaudited)**

Employer	2014			2005		
	Employees	Rank	Percentage of Total District Employment	Employees	Rank	Percentage of Total District Employment
Highland Park Hospital	1,200	1	26.37%	1200	1	26.33%
School District 112	740	2	16.26%	629	3	13.80%
Ravinia Festival	690	3 (1)	15.16%			
Northern Suburban Special Ed District	506	4 (1)	11.12%	690	2 (1)	15.14%
Park District of Highland Park	505	5	11.10%			
School District 113	398	6	8.75%	550	5	12.07%
City of Highland Park	246	7	5.41%			
Highland Park Public Library	97	8	2.13%			
First Bank of Highland Park	84	9	1.85%			
Highland Park Post Office	85	10	1.87%			
Solo Cup Company				600	4	13.17%
Sunset Food Mart				350	6	7.68%
Opportunity Inc.				250	7	5.49%
Bank One, N.A.				70	8	1.54%
Mesirow Financial				70	9	1.54%
Mutual Building Materials				70	10	1.54%
	<u>4,551</u>		<u>100.00%</u>	<u>4,479</u>		<u>98.29%</u>

Note: (1) Includes full-time and seasonal employees

Data Source: 2014/2005 IL Manufacturers Directory, 2014/2005 IL Services Directory

## **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

### **Full-Time Equivalent District Government Employees by Function - Last Ten Fiscal Years December 31, 2014 (Unaudited)**

	Fiscal Year Ended 3/31/2006	Fiscal Year Ended 3/31/2007	Fiscal Year Ended 3/31/2008	Fiscal Year Ended 3/31/2009
General Government				
Administration				
Full-Time	18	25	25	24
Operations				
Full-Time	29	25	25	25
Recreation				
Full-Time	30	24	24	23
Total	77	74	74	72

Data Source: District Records



Fiscal Year Ended 3/31/2010	Fiscal Year Ended 3/31/2011	Fiscal Year Ended 3/31/2012	Fiscal Year Ended 3/31/2013	Fiscal Year Ended 3/31/2014	Nine Months Ended 12/31/2014
24	18	24	24	22	22
25	26	28	26	26	26
23	25	24	24	32	32
72	69	76	74	80	80

# **PARK DISTRICT OF HIGHLAND PARK, ILLINOIS**

## **Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2014 (Unaudited)**

	Fiscal Year Ended 3/31/2006	Fiscal Year Ended 3/31/2007	Fiscal Year Ended 3/31/2008
<b>Recreation Center</b>			
Memberships	N/A	1,565	1,693
Members	N/A	2,802	3,036
Day Passes	N/A	3,776	3,877
Rentals	N/A	439	485
<b>AquaPark</b>			
Memberships	1,149	1,229	1,189
<b>Centennial Ice Area</b>			
Ice Skating Participants	2,918	3,208	3,141
Gymnastics Participants	3,046	2,871	2,574
<b>Arts Program</b>			
Individual Enrollments	824	836	744
<b>West Ridge</b>			
Individual Enrollments	769	2,436	2,380
<b>Athletics Programs</b>			
Individual Enrollments	3,145	3,319	3,515
<b>Camps</b>			
Individual Enrollments	1,425	1,528	1,375
<b>Special Events</b>			
Individuals	510	437	490
<b>Boating Beach</b>			
Season Passes	454	588	664
<b>Golf Course</b>			
Annual Rounds Played	39,789	35,705	30,196
Season Passes	N/A	2,385	2,302
<b>Tennis</b>			
Memberships	682	713	649

Data Source: Various District Departments

N/A - Not Available

Fiscal Year Ended 3/31/2009	Fiscal Year Ended 3/31/2010	Fiscal Year Ended 3/31/2011	Fiscal Year Ended 3/31/2012	Fiscal Year Ended 3/31/2013	Fiscal Year Ended 3/31/2014	Nine Months Ended 12/31/2014
1,691	1,549	1,499	1,897	2,952	1,804	1,744
3,300	2,803	2,736	2,584	2,712	3,050	3,086
4,508	3,844	2,639	2,914	2,235	2,062	1,791
540	274	192	241	207	193	115
937	827	846	872	484	655	856
3,268	2,529	3,297	2,453	1,809	1,599	1,158
2,599	2,500	2,714	1,874	2,165	1,791	1,115
749	720	827	359	363	660	186
2,208	1,918	1,973	1,592	1,919	1,799	1,874
3,466	3,504	3,920	2,691	2,455	2,224	1,793
1,345	1,415	1,284	1,275	1,238	1,194	1,371
552	532	554	1,613	3,215	1,176	8,788
667	451	357	384	232	199	67
33,134	29,808	30,001	30,859	31,635	27,775	24,724
2,259	2,226	2,236	2,252	-	-	-
658	600	591	577	693	704	750

## PARK DISTRICT OF HIGHLAND PARK, ILLINOIS

### Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2014 (Unaudited)

	Fiscal Year Ended 3/31/2006	Fiscal Year Ended 3/31/2007	Fiscal Year Ended 3/31/2008
<b>Recreation</b>			
Facilities (Number of)			
Adventure Golf Mini-Course	1	1	1
Aqua Park	1	1	1
Ball Diamonds	22	23	23
Boat Launching Ramp	1	1	1
Disc Golf Courses	-	2	2
Dog Off-Leash Exercise Area	1	1	1
Fishing Ponds	3	3	3
Football Fields/Soccer	13	14	14
Golf Course	1	1	1
Golf Learning Center (Driving Range)	1	1	1
Gymnastics Studio	1	1	1
Indoor Tennis Courts	6	6	6
Indoor Ice Arena	1	1	1
Indoor Playground	1	1	1
In-Line/Skateboard Park	1	1	1
Walking and Bike Trails (Miles)	4	4	4
Nature Center	1	1	1
Nature Preserves	-	6	6
Outdoor Basketball Courts	10	10	10
Outdoor Hard Surface Tennis Courts	41	39	39
Outdoor Ice Skating	1	1	1
Outdoor Soft Surface Tennis Courts	7	3	3
Parking Spaces	-	1,794	1,794
Picnic Areas	8	16	16
Picnic Shelters	-	4	4
Playgrounds	29	39	39
Public Park Restrooms	-	16	16
Racquetball Courts	4	4	4
Recreation Centers	2	2	2
Swimming Beaches	1	1	1
Program Shelter	-	-	-
Public Recreation Beaches	-	-	-

Data Source: District Department Heads

Fiscal Year Ended 3/31/2009	Fiscal Year Ended 3/31/2010	Fiscal Year Ended 3/31/2011	Fiscal Year Ended 3/31/2012	Fiscal Year Ended 3/31/2013	Fiscal Year Ended 3/31/2014	Nine Months Ended 12/31/2014
1	1	-	-	-	-	-
1	1	1	1	1	1	1
23	23	23	23	23	23	23
1	1	1	1	1	1	1
2	2	2	2	2	2	2
1	1	1	2	3	3	3
3	3	3	3	3	3	3
14	14	14	14	14	14	14
1	1	1	1	1	1	1
1	1	-	-	-	-	-
1	1	1	1	1	1	1
6	6	6	6	6	6	6
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
10	10	10	10	9	9	9
1	1	1	1	1	1	1
6	6	6	6	6	6	6
10	10	10	10	10	10	10
39	39	39	39	39	39	39
1	1	1	1	1	1	1
3	3	3	7	7	7	7
1,922	1,922	1,922	1,922	2,149	2,149	2,149
16	16	16	16	16	16	16
4	4	4	4	4	4	4
39	39	39	39	39	39	39
11	11	11	11	11	11	11
4	4	4	4	4	4	4
2	2	2	1	1	1	1
1	1	1	1	1	1	1
-	-	-	-	1	1	1
-	-	-	-	4	4	4