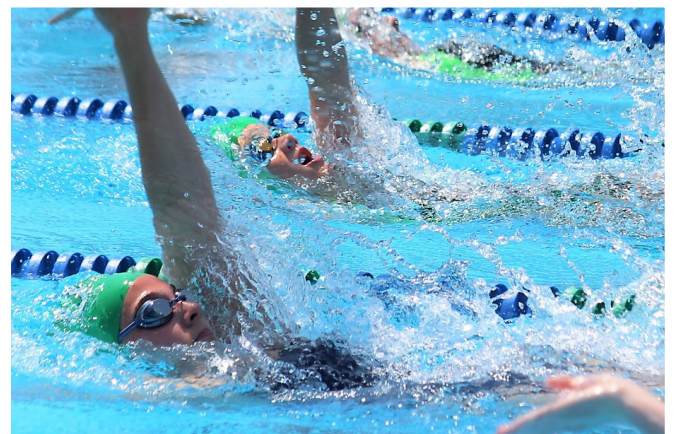




# Palatine Park District Cook County, Illinois

## Comprehensive Annual Financial Report

For the fiscal year ending  
December 31, 2017





**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2017

Prepared by:

Michael G. Clark  
Executive Director

Elliott F. Becker  
Superintendent of Finance

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PALATINE, ILLINOIS  
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**PALATINE, ILLINOIS**  
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**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
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## **INTRODUCTORY SECTION**

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**PRINCIPAL OFFICIALS**

December 31, 2017

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**LEGISLATIVE**

**BOARD OF PARK COMMISSIONERS**

Nick Sawyer, President

Jennifer Rogers , Vice President

Sue Gould, Treasurer

Terry Ruff

Jay Cozza

**ADMINISTRATIVE**

Michael G. Clark, Executive Director

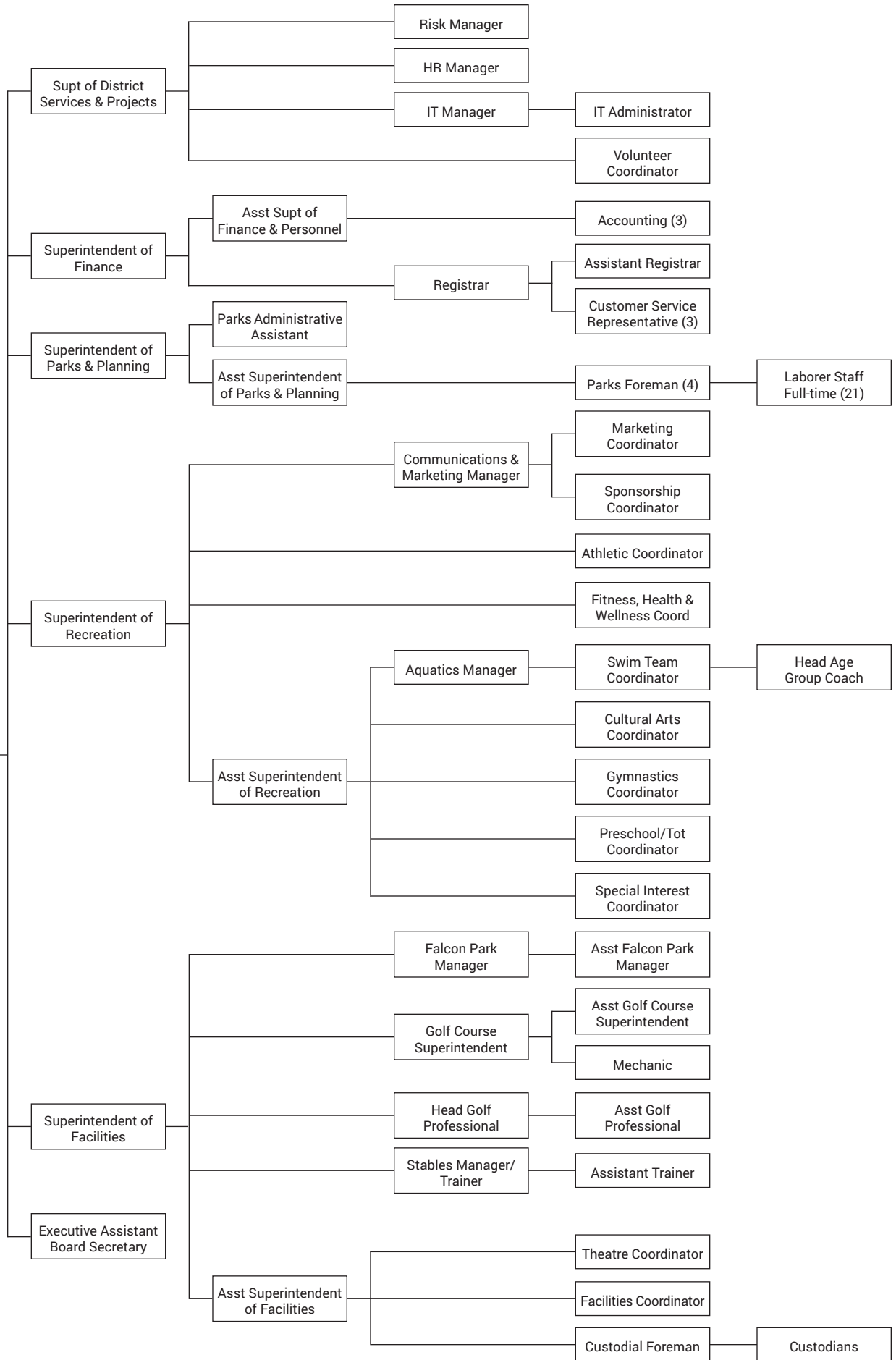
**FINANCE DIVISION**

Elliott Becker  
Superintendent of Finance

# Palatine Park District Organizational Chart



Palatine Park District Residents  
 Park Board of Commissioners (5)  
 Executive Director







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

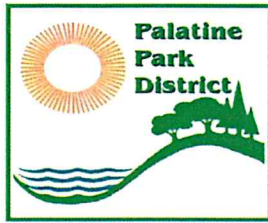
**Palatine Park District  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO



June 12, 2018

Board of Commissioners  
Palatine Park District  
Cook County, Illinois

Honorable Commissioners:

The Comprehensive Annual Report of the Palatine Park District for the fiscal year ended December 31, 2017 is hereby respectfully and formally submitted. Chapter 70, Section 1205, of the Illinois Compiled Statutes requires that park districts secure a licensed public accountant to perform an annual audit of the financial statements. The firm of Sikich, LLP, performed this audit for the fiscal year ended December 31, 2017. Their unmodified opinion on the basic financial statements is presented for this report. The CAFR is filed with the State Comptroller within six months after the close of the fiscal year. This report was prepared by the Park District's Finance Department who is responsible for both the accuracy of the presented information and the completeness and fairness of the presentation, including all disclosures. We believe the information, as presented, is accurate in all material aspects; it is presented in a manner designated to fairly set forth the financial position and results of Park District operations as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the Park District's financial affairs.

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

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

evidence supporting the amounts, accounting principles used and significant estimates made by management.

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

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

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

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

As a separate entity from the Village of Palatine, the Park District includes all of the funds of its 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 Northwest Suburban Special Recreation Association (NWSRA), and the Metro Risk Management Agency (MRMA). Since these organizations are separate government organizations, and the Park District does not exercise financial accountability over these agencies, their financial statements are not included in this report. Audited financial statements for these organizations are available upon request from their business offices.

The Board of Commissioners has the authority, after the first six months of the fiscal year and with a two-thirds approval vote, to make transfers between the various items in any fund in the appropriation ordinance. Transfers cannot exceed 10 percent, in the aggregate, of the total amount appropriated for the fund or item that is having funds reallocated. The Board of Commissioners may amend the Budget and Appropriation Ordinance, but this must be done in accordance with the same procedure followed in the originally adopted ordinance. The Park District issued a Supplemental Budget and Appropriations ordinance in the 4<sup>th</sup> quarter of 2017.



Open Public Meetings for budget authorization are held at 7:00 p.m., posted and published up to six weeks in advance.

Date	Meeting	Discussion
December 12, 2016	Regular Board Meeting	Annual Budget Review
January 24, 2017	Public Hearing	Public Comments on the Annual Budget
January 24, 2017	Regular Board Meeting	Board discusses, considers, and approves the 2017 Budget and Appropriation Ordinance
October 10, 2017	Regular Board Meeting	Supplemental B & O Ordinance draft presented to Board.
November 28, 2017	Public Hearing	Public Comments on the Supplemental Annual Budget
November 28, 2017	Regular Board Meeting	Board discusses, considers, and approves the 2017 Supplemental Budget and Appropriation Ordinance
June 12, 2018	Regular Board Meeting	Commissioners accept 2017 CAFR

### Economic Condition and Outlook

In addition to being one of the larger suburbs north of Chicago, it is also one of the more financially stable. The District's local economic base is diverse. It combines corporate offices and commercial developments with a solid middle class residential base. For the last several years, Motorola has been the Park District's largest taxpayer but represents a very small portion of the District's Equalized Assessed Valuation (EAV). Palatine's unemployment rate at the end of 2017 is far less than the state wide rate.

EAV for the District's property tax base increased as home values continued to increase. The EAV increased by 16.2% year over year realizing an increase of \$314,045,455 and thus increasing the District's property tax revenues. However, the State of Illinois continues to have financial challenges and as a result, the Park District leadership continues to act cautiously as it fears a potential property tax freeze.

### Long-Term Planning

2017 represented the second year for the District's Comprehensive Master Plan which was approved in the fall of 2015. As a result, the Park District has become far more strategically focused. To that end, staff has developed goals and objectives at the individual, department, and agency levels to set the direction for the agency for the next ten years. Among the largest of the long-term efforts was the official commencement of the District's relationship with Harper College and Building M. In 2017, the District issued bonds to cover its share of the Capital Contribution and has been developing operations plans as its planned opening in the

Fall of 2018 gets closer. Additionally, in 2017 the District developed a 10-year Capital Repair and Replacement plan to help it manage resources as it embarks on the Comprehensive Master Plan.

District board and staff's primary focus is to operate efficiently and effectively while providing the greatest value for its residents. To that end staff is constantly evaluating its program offerings while senior leadership in cooperation with the Board carefully discuss any large capital undertaking. In the past, the District has been conservative allowing for large fund balances to be created.

Ongoing initiatives were developed which, along with the short-term initiatives, formed the basis for the 2017 annual budget. Mid and long-term goals will continue to be integrated into future budgets. To fund future activities and capital initiatives, the Park District has accumulated healthy reserves and all indications are that reserves will continue to grow in the near future. In addition to the use of unrestricted reserves, each year the District has access to unreserved debt capacity of approximately \$2 million. The Park District may issue new debt as needed to fund its multi-year capital improvement plan.

### **Risk Management**

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

### **Pension Benefits**

The Park District participates in the Illinois Municipal Retirement Fund (IMRF), a 414(h) plan and employees may participate in a 457 retirement plan. The IMRF plan is a two tiered defined benefit plan with the employee contributing 4.5 percent of their annual salary. Vesting for Tier 1 and Tier 2 occurs after eight and ten years respectively. The Park District is responsible for most of the pension costs and all of the disability and death benefits. The Park District's retirement plan was 88.3% funded as of 12/31/17. This is an improvement of nearly 10% over the prior year. The funded status of the District's plan fell below 10% following the economic crisis of 2008. Despite a very poor rate of return on its investments, the District's 5 year smoothing technique has resulted in a decrease to the District's contribution rate in 2017. Employee rates are based on actuarially calculated annual required contributions (ARC). Although the District has annually contributed 100% of the ARC, the resulting unfunded liability is currently being amortized over a rolling thirty year period. The District's employer rate in 2017 was 12.46%.

The Park District is a trustee of the 457 plan, a defined contribution plan, which is fully funded by the employees. The Park District offers no retirement health benefits.

### **Significant Events and Accomplishments**

The Palatine Park District continues to be one of the premier park and recreation providers in Illinois. The Park District has undergone tremendous program growth and restructuring resulting in superior recreation opportunities while maintaining low tax increases and modest increases in user fee revenues.



The Park District takes an active role in the community and staff represent the District on the boards of, and often takes on leadership roles in, Rotary, Kiwanis, the Chamber of Commerce and other local community groups. The District took second place in the Media Relations Category. Additionally, in 2017, for just the second time, the District received the GFOA's Excellence in Financial Reporting Award for its 2016 CAFR. It is confident that the 2017 submission will have a similar result.

During 2017, the Park District finance office completed the implementation of its finance software. The implementation of Incode, as its finance software, completed an aggressive three-year strategy to upgrade its registration, time and attendance, and finance software. The impact of this change has been significant allowing staff to see information in real time. Additionally, the District completed a \$500,000 asphalt project, and installed a new playground at Oak Park

The Board of Commissioners remains very positive in supporting membership, continuing education and involvement within key organizations such as NRPA, IPRA, and GFOA. Leadership is active in giving back to the profession and often serves a speaker at the Leadership Academy and Professional Development School.

#### Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has created a program which recognizes deserving Agencies when they prepare quality financial statements. The Park District received the Excellence in Financial Reporting award for its 2016 CAFR and understands that it is for one year only. However, with this year's submission, staff is confident that it will achieve this distinction again in 2017. Each year the District will make every effort to continue to achieve this lofty goal.

#### Acknowledgements

This financial report was compiled through the efforts of the Finance staff. The report is prepared one time during the year but would not be possible without the consistent attention to procedures and monitoring of accounts by the Park District's recreation program and administration staff. The support and involvement of the Board of Commissioners is essential to ensure a sound financial environment in which to conduct the operations of the Palatine Park District.

Respectfully Submitted,



Michael G. Clark  
Executive Director



Elliott F. Becker  
Superintendent of Finance



## **FINANCIAL SECTION**

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

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

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

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

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Palatine Park District, Palatine, Illinois, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

*Sikich LLP*

Naperville, Illinois  
June 12, 2018

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

Palatine Park District, Cook County, IL  
Management Discussion and Analysis

The following Management Discussion and Analysis (MD & A) outlines the financial performance and statements of the Palatine Park District for the year ended December 31, 2017. The MD & A is designed to assist the reader by focusing on significant issues; provide an overview of the Park District's financial activity; identify material deviation from the financial plan; identify individual fund issues or concerns; and identify changes in the Park District's financial position and its ability to address subsequent years' challenges.

Since the MD & A is designed to focus on current activities, resulting changes and current known facts, it should be read in conjunction with the brief transmittal letter, the financial statements and accompanying notes to those statements included in this section.

The accompanying financial statements implement financial reporting requirements including government-wide and by major fund. This allows the user to address relevant questions, to broaden a basis for comparison and to enhance the Park District's accountability.

The Palatine Park District was established in 1945 to provide recreation activities and facilities for the residents of Palatine, Cook County, Illinois. The five-member, volunteer Board of Commissioners serve six-year staggered terms and establish policy, strategic direction, and govern ordinances.

### **Financial Highlights for 2017**

- The Park District completed a three-year process to update its software throughout the District. In addition to the recently completed implementation of finance software, the District has implemented registration and time and attendance software over this period.
- The District fully implemented its cash flow program resulting in greater investment efficiencies and a greater return.
- The partnership with Harper College was consummated. To that end, the District issued \$8.8 million in debt in 2017 to pay its capital contribution towards the Construction of Building M, Harper's Health and Wellness building. The building will be fully operational in the fall of 2018.
- The financial statements contain a prior period adjustment to reflect payments to Harper that were inadvertently capitalized. Since the Park District does not own the property, capitalization is improper.
- The 2017 CAFR has been prepared to comply with the requirements to apply for and receive the Government Finance Officers Award for Excellence in Financial Reporting for the third straight year.
- Net Position of the Park District totaled \$68.2 million as of December 31, 2017. Of this amount, \$60.9 million is invested in capital assets, \$4.2 million is restricted for special levies, and \$3.1 million is unrestricted and may be used to meet the general obligations of the District.
- Total tax revenue, including replacement taxes, of \$14.4 million was collected representing an increase of just over \$50,000 (0.3%). Although the tax levy extended reflected an inflationary increase equal to the annual percentage change in the consumer price index (CPI), property tax revenues can fluctuate from year to year depending on various factors.
- Charges for services in 2017 total \$7,644,765 as compared to \$7,649,088 in 2016 reflecting virtually no change on a year over year basis.
- The fund balance for the General Fund is \$8.7 million, an increase of \$780,000 from the prior year. This increase is based on two components, an operating surplus of \$33,120 and a transfer from the Debt Service Fund to cover the costs related to the District's Alternate Revenue Source Debt. The District makes this transfer when there is sufficient "headroom" in the proceeds from the District's annual levy based on the Debt Service Extension Base as the levy is first applied to G.O. Bonds.
- The Recreation Fund Balance increased by \$1.8 million to \$6.5 million This is very consistent on a year over year basis as last year's surplus, before transfers, was just \$22,582 less than in 2016.

Palatine Park District, Cook County, IL  
Management Discussion and Analysis

The MD & A is intended to serve as an introduction to the Park District's basic financial statements. The Palatine Park District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements. These components are described below.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. These statements combine and consolidate the governmental funds' current financial resources with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. The government-wide financial statements include a Statement of Net Position and a Statement of Activities.

The Statement of Net Position presents the Park District's assets/deferred outflows and liabilities/deferred inflows, with the difference reported as net position over time, a change in net position is an indicator of the improvement (increase) or deterioration (decrease) in the Park District's financial condition.

The Statement of Activities presents the revenues and expenses of the Park District. The difference between these is the change in net position for the year. The costs of various activities supported by the Park District's general taxes and other resources is intended to summarize and simplify the user's analysis of the cost of various governmental services and subsidy to various fees for service activities.

The Governmental Activities in the Statement of Activities reflect the Park District's basic services, including general government, funded by property taxes. The Recreation activities reflect fees for service operations including recreation program and golf, where the fee for services typically covers much of the cost of operation including depreciation.

**Fund Financial Statements**

Traditional users of governmental financial statements will find the Governmental Fund Financial Statements presentation more familiar. A fund is a grouping used to maintain control over resources that are segregated for specific activities or objectives. Major Fund are reported separately.

Governmental Funds are presented in the fund financial statements and encompass the same functions reported as governmental activities in the government wide financial statements. The focus is different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability with spendable resources and balance of spendable resources at the end of the year. The information may be useful in evaluating the Park District's short-term financing requirement. Restrictions of \$795,699 and \$665,777 are included in the fund balances of the Debt Service and Special Recreation funds respectively and are shown as restricted.

Since the focus of the government-wide financial statements are longer term, comparisons between the governmental funds and government-wide may provide insight to the long-term impact of near term financial 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 the Statement of Net Position.

The Park District internally maintains five individual governmental funds, information on for major funds is presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances.

The four major funds are the General, Recreation, Capital Projects, and Debt Service Funds. Activity from any other governmental fund for which there is a tax levy is a non-major fund.



Palatine Park District, Cook County, IL  
Management Discussion and Analysis

The Park District adopts an annual appropriated budget for all its funds. Budgetary comparison statements are included in the basic financial statements found later in the report. These statements demonstrate compliance with the Park District's adopted annual appropriated budget, as amended and adopted on November 28, 2017.

**Notes to the Financial Statements**

The notes provide additional information that is essential to understanding data provided in the government-wide and fund financial statement. The Notes to the Financial Statements begin on page 11.

In addition to the basic financial statements and accompanying notes, the report also presents certain supplementary information concerning the Park District's IMRF employee pension obligations, as well as budgetary compliance schedules for the General, Recreation, Capital Projects, and Debt Service Funds. Required supplementary information can be found beginning on page 33 of this report. Individual fund statements and schedules can be found starting on page 38 of the report.

**Government-Wide Financial Analysis**

The Park District's Net Position over time may serve as a useful indicator of a government's financial position. The following table presents a condensed summary of the District's Net Position as of December 31, 2017 and 2016. In 2014 the district closed its remaining Enterprise Funds. As a result, the Financial Statements below represent only Governmental or Primary Government type activities.

Palatine Park District  
Net Position  
12/31/2017 and 12/31/2016

	2017	2016
Current & Other Assets	42,286,326	35,913,263
Capital Assets	68,944,193	69,472,189
<b>Total Assets</b>	<b>111,230,519</b>	<b>105,385,452</b>
Deferred Outflows of Resources	3,295,884	4,113,656
<b>Total Assets and Deferred Outflows</b>	<b>114,526,403</b>	<b>109,499,108</b>
Long Term Liabilities	28,021,721	20,584,609
Other Liabilities	3,022,717	1,970,297
<b>Total Liabilities</b>	<b>31,044,438</b>	<b>22,554,906</b>
Deferred Inflows of Resources	15,310,081	14,581,974
<b>Total Liabilities and Deferred Inflows</b>	<b>46,354,519</b>	<b>37,136,880</b>
<b>Net Position</b>		
Net Investment in Capital Assets	60,935,864	54,283,777
Restricted	4,151,160	3,864,641
Unrestricted	3,084,859	13,027,148
<b>Total Net Position</b>	<b>68,171,883</b>	<b>71,175,566</b>

Palatine Park District, Cook County, IL  
Management Discussion and Analysis

The Park District's assets exceeded liabilities/deferred inflows by \$68.2 million at December 31, 2017. By far the largest portion of the District's net position is its investment in capital assets such as land infrastructures, buildings, machinery, and equipment less any related debt to acquire those assets that is still outstanding. Capital assets represent 53.2% of the District's total assets including deferred outflows. The purpose of capital assets is to provide services to its residents and thus these resources are not available for future spending. It is important to recognize that the resources needed to repay this debt must come from other sources as capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used or are not able to be spent. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to residents and creditors.

Tax revenue represents the largest portion of the revenue base representing 42% of the total. The District's goal is to maintain as close to an even split between property tax revenues and those related to user fees. Property taxes fund governmental activities including but not limited to the District's contribution to the Illinois Municipal Retirement Fund (IMRF) and Social Security Fund, as well as the Audit, Liability, and the Special Recreation Fund. This is an unusually small percentage for the District. However, this total is skewed by the bond proceeds of \$8.8 million that the District received in 2017. Excluding that extraordinary item, property tax would have represented 62.6% of revenues.

Charges for services accounted for the next largest portion of revenue. Because the District does not receive enough funding from property taxes, it must charge fees for programs and services to subsidize the costs of the program offerings. Pricing for programs and services is evaluated each year during preparation of the upcoming budget.

Typically, other income accounts for a small percentage of total revenues. However, in 2017, the Park District issued nearly eight million eight hundred thousand dollars in debt to provide resources for its capital contribution to Harper College. Normally, the other income, absent a large debt issuance, accounts for about 4% of total revenues.

Exclusive of the prior period adjustment, the District's net position decreased by \$2.7 million (3.1%) from the prior year. It is however, important to note that the District's operating funds (General, Recreation, and Special Recreation) reflected a surplus of approximately \$2.1 million. The decrease in net position relates to planned capital purchases, particularly those related to Harper College. The operating deficit in the Capital Projects Fund in 2017 is \$5.4 million and is the primary cause of the decrease to net position.

### **Normal Impacts on Net Position**

There are six typical transactions that will affect the comparability of the statement of net position summary presentation.

Net Results of Activities – The results of net activities will impact current assets and unrestricted net position depending on whether there is a surplus or a deficit.

Borrowing for Capital – This increases current assets and long-term debt.

Spending Borrowed Proceeds on Capital – There are two impacts with respect to this transaction. This transaction will increase capital assets while reducing current assets. Additionally, there is an increase in the net investment in capital assets and related net debt. This does not impact the net investment in capital assets.

Spending of Nonborrowed Current Assets on New Capital - Again there are two impacts. The first impact results in current assets being reduced and capital assets increasing. Additionally, unrestricted net position will decrease while increasing the net investment in capital assets.

Palatine Park District, Cook County, IL  
Management Discussion and Analysis

Principal Payment on Debt – The impact of this transaction reduces current assets and long-term debt while at the same time reducing unrestricted net position and increasing the net investment in capital assets.

Reduction of Capital Assets Through Depreciation – This transaction reduces both capital assets and the net investment in capital assets.

Changes in Net Position

The District's combined change in net position (\$2.7) million represents a decrease of \$4.2 million from the prior year. Total revenues declined by \$176,155 while expenses increased by \$4.07 million. The following chart shows the revenues and expenses of the District's activities.

Palatine Park District Statement of Activities 12/31/2017 and 12/31/2016	2017	2016
Functions/Programs		
Primary Government		
General Government Expense	9,500,848	7,498,688
Culture and Recreation Expense	14,912,921	13,228,014
Interest and Fiscal Charges	896,438	497,466
Total Primary Government	25,310,207	21,224,168
General Revenues		
Taxes		
Property Taxes	14,153,383	13,782,432
Replacement Taxes	198,571	153,339
Culture and Recreation Revenue	7,644,765	7,649,088
Intergovernmental-Unrestricted	52,100	48,871
Investment Income	230,015	158,852
Miscellaneous	331,411	969,899
Gain( Loss) on disposal of Capital Assets	(23,919)	-
Total	22,586,326	22,762,481
Change in Net Position	(2,723,881)	1,538,313
Net Position, January 1	71,175,566	68,235,873
Change in Accounting Principle		1,401,380
Prior Period Adjustment	(303,721)	
Net Position January 1, Restated	70,871,845	69,637,253
Net Position December 31	68,147,964	71,175,566

### **Normal Impacts on Activities**

There are eight typical factors that impact revenues and expenses as defined below.

**Economic Condition** – The local, state, and national economic environment will impact revenues and to some extent expenditures. Economic condition has a direct impact on the fees and sales earned by the District.

**Increase/Decrease in rates** – The District's primary source of revenues is property tax, but the District has little control over these rates because they are subject to a tax cap equal to the lesser of the CPI or 5%. The District may levy for up to .04% of its Equalized Assessed Valuation for serving the special needs community if necessary.

**Changing Patterns in Intergovernmental and Grant Revenue** – The Park District attempts to apply for grants and are often, but not always, successful. Likewise, the District may receive impact fees or other miscellaneous revenues that tend to not be reoccurring.

**Interest Rates** – Interest rates have an impact on the District's investment portfolio as well as on its ability to borrow. These two factors are inversely related.

**Introduction of New Programs** – The Park District continues to attempt to provide fresh offerings to the Public and will often introduce new programs. These programs may ultimately be successful but at the outset often negatively impact activities.

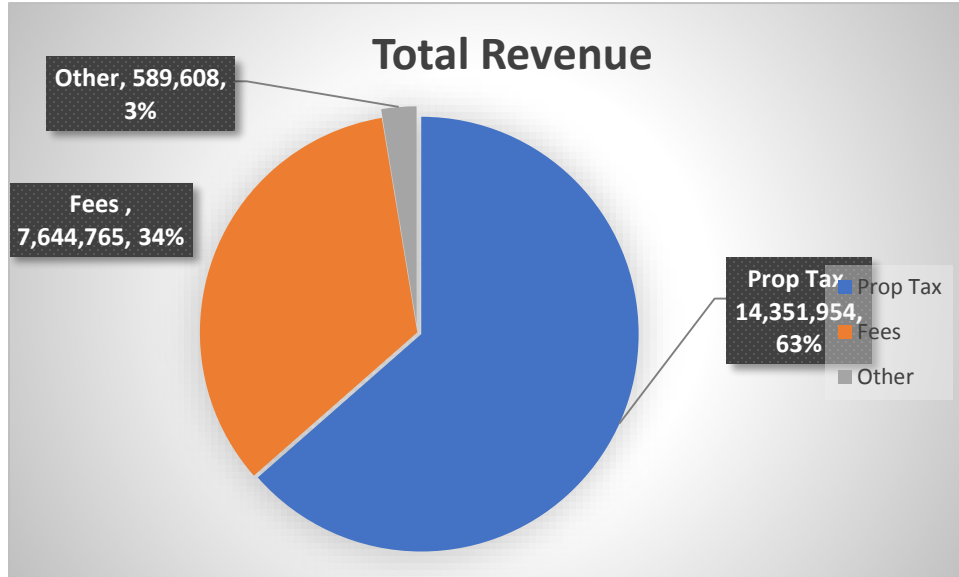
**Increases or decreases to staff size**- The District endeavors to operate as efficiently as possible but opportunities and changes in its operating plan. This can result in either an increase or decreases to the staff size. Staff costs represent by far the largest operating costs and include benefits provided to staff as well.

**Salary increases** - Generally speaking, except under particularly difficult financial circumstance, the District increases wages annually to retain the human and intellectual resources needed to stay competitive.

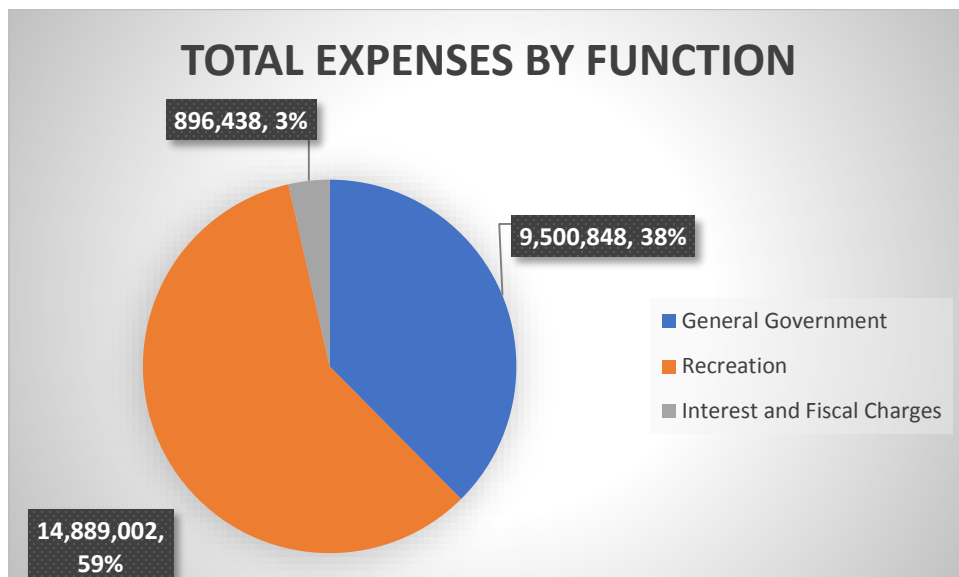
**Inflation** – Currently, inflation is not a primary concern, but certain components of products used by the Park District may experience significant fluctuations from time to time.

Palatine Park District, Cook County, IL  
 Management Discussion and Analysis

Revenues for 2017 total \$22,586,327. As is indicated below, property tax revenue represents approximately 63% of the total revenue. On a year over year basis, revenues for fees and charges was virtually unchanged while property taxes increased by \$400,000. It is the goal of the Park District to reduce reliance on property tax revenues to approximately 50%.



The total cost of providing programs and services was \$25.3 million. General Government expense accounted for 37.5% of total expenses or \$9.5 million. These expenses include administrative and park maintenance services needed to support all District operations including recreational programs and services; as well as 600,000 in depreciation expense. Recreation expense include direct costs associated with providing recreational programs and operational costs as well as \$1.7 million in depreciation expense. Recreation expenses comprised 58.8 % of the total expenses or \$14.9 million. The remaining expenditures relate to interest and other debt related charges. Most significantly is that included in the total costs are \$5.7 million in capital outlay costs focused heavily on the Recreation Fund and more specifically on \$2.5 million paid to Harper as part of the District’s capital contribution.



### Financial Analysis of the District's Funds

Governmental Funds – Since the District eliminated its enterprise funds in 2014, the District has only governmental funds. The combined fund balance of the five funds (General, Recreation, Debt Service, Acquisition and Improvements, and Special Recreation) as of December 31, 2017 is \$24.97 million, an increase of \$5.8. The increase is attributable primarily to the issuance and receipt of proceeds for the Series 2017 debt issuance. The total amount of the issuance is \$8.8 million. The increase also encompasses an increase to capital of \$3.9 million which has the effect of lowering the fund balance. Fund balance is comprised of the following components:

**Nonspendable Fund Balance** of \$178,000 represents prepaid items and golf course inventory.

**Restricted Fund Balance** total \$4.1 million. This balance is subject to legal restrictions based on the District's annual tax levy. The remaining balances are restricted to the purpose for which they were levied for. The breakdown is as follows:

Retirement	\$ 2,204,103
Debt Service	\$ 792,699
Special Recreation	\$ 665,777
Liability Insurance:	\$ 445,270
Museum	\$ 35,990
Audit	\$ 7,321
Totals	\$ 4,151,160

**Assigned Fund Balance** represent those fund balances segregated for intended use of resources. This applies specifically to those balances in the Capital Projects and Recreation Funds. Assigned Fund Balance totals \$14.7 million at December 31, 2017.

**Unassigned Fund Balance** total \$5.8. These funds are contained in the General Fund and represent financial resources that are not the object of a tentative management plan.

The General Fund is the District's primary operating fund and is responsible for all the support provided to the District's programs and operations. The General Fund is responsible for maintenance of all the parks as well as all administrative support such as finance, human resources, and risk management. Currently, the General Fund is the District's largest fund although that is subject to change from time to time, based on activity in the Recreation Fund. In 2017, the General Fund balance increased by \$780,449 which represents excess revenues over expenditures of \$33,121 and a transfer from debt service of \$747,328 to cover the cost of ARS Bonds.

Revenues exceeded expectations primarily due to a re-allocation of the 2016 levy as opposed to the 2017 levy. Expenditures, were down 11% as compared to budget (approximately one million dollars). The primary reason for the reduction in costs relates to the District's insurance program. The District self-funds a large portion of its employees (and their dependents) deductibles as part of a high deductible plan. To be conservative, the District budgets as if they will be funding 100% of all deductibles. In 2017, only 60% of the deductible was funded creating this savings. The District also saved costs as a handful of its full-time staff positions were unfilled a good portion of the year.



Palatine Park District, Cook County, IL  
Management Discussion and Analysis

General Fund Budgetary Highlights

	2017		2016	
	Original Budget	Final Budget	Actual	Actual
Revenues	7,644,164	7,644,164	8,030,538	7,501,923
Expenditures	8,974,172	8,974,172	7,997,417	7,387,348
Excess (Deficiency) of				
Revenue over expenditures	(1,330,008)	(1,330,008)	33,121	114,575
Transfers	896,862	896,862	747,328	
Net Change In Fund Balance	(433,146)	(433,146)	780,449	114,575

**Significant Changes to Fund Balances**

Recreation Fund – The Recreation Fund Balance increased by \$1.8 million dollars in 2017 to a balance of \$6.5 million dollars at year end. The surplus is extremely consistent with prior years with the only difference in the bottom line on a year over year basis is the transfer made by the fund to the Acquisitions and Improvement Fund in 2016. While revenues fell short of expectations, improved controls kept the net bottom line approximately the same.

Acquisitions and Improvements Fund – The A & I Fund Balance increased by \$3.7 million to \$8.3 million at year end despite an operating deficit of \$5.4 million. However, the fund was credited with \$9.2 million dollars from Bond Proceeds, including premium, issued during the year.

**Capital Assets**

The District’s net investment in Capital Assets total \$61 million at December 31, 2017 an increase of \$6.7 million as compared to 2016. The investment in capital assets includes land, buildings, equipment, vehicles, furniture and other infrastructure related costs. A summary of the change in Capital Assets appears below.

Capital Assets - Net of Depreciation	2017	2016	Increase/ (Decrease)	% Increase/ (Decrease)
As of December 31				
(In Thousands)				
Land	\$33,738	\$33,738	0	0.00%
Buildings and Improvements	21,642	22,242	(600)	-2.70%
Land Improvements	9,808	9,790	18	0.18%
Furniture and Equipment	3,470	3,219	251	7.80%
Construction-in-Progress	286	485	(199)	-41.03%
<b>Total Net Capital Assets</b>	<b>68,944</b>	<b>69,474</b>	<b>(530)</b>	<b>-0.76%</b>

Palatine Park District, Cook County, IL  
Management Discussion and Analysis

**Debt Outstanding**

In calendar year 2017, the District issued debt twice. The first issuance was for \$755,500 and was paid back immediately as the District received the related property tax revenue. This issuance is used to refund certain outstanding general obligation alternate bonds.

Additionally, the District issued \$8.8 million General Obligation Park Bonds. The purpose of the issuance is to provide the necessary resources to fund its capital contribution on the Harper College Project.

As of December 31, 2017, the Park District has \$23,075,000 outstanding. Additionally, the Harper issuance resulted in a premium of \$361,943 leaving a year-end balance of \$874,508 in total bond premiums outstanding.

**Economic Factors**

Despite a relatively flat economy the District, through conservative management is healthy. Current and past Board Commissioners have kept an eye on building reserves to take advantage of opportunities when they arise. A case in point is the current relationship with Harper. Moving forward, two of the Village of Palatine's TIF districts are set to expire in a couple of years which will provide the Park District with increased property tax revenues.

Prudent financial planning is further necessary to ensure that the District is well positioned to ensure that program offerings are cost effective and managed within the Park District's budget. The Park District is further committed to work with other agencies within its community and enjoys a strong working relationship with the Village, School Districts, and other Community Agencies. With the Board of Commissioner's commitment to maintaining reserves and leading with careful planning for future expansion, the Park District will continue to serve its residents with excellent programs and facilities.

**Contacting the Park District's Financial Management**

This financial report is designed to provide our residents and customers with a general overview of the Park District's finances and to demonstrate the Park District's commitment to public accountability. If you have any questions or comments about this report or would like to request additional financial information, please contact the Finance Division, Palatine Park District, 250 E. Wood, Palatine, Illinois 60067. This report can also be found on the Park District's web site at [www.palatineparks.org](http://www.palatineparks.org).

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2017

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 25,870,152
Receivables (net, where applicable, of allowances for uncollectibles)	
Property taxes	14,668,741
Notes	1,036,211
Accounts	457,274
Interest	75,623
Prepaid expenses	172,295
Inventory	6,030
Capital assets not being depreciated	34,024,558
Capital assets being depreciated (net of accumulated depreciation)	<u>34,919,635</u>
Total assets	<u>111,230,519</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Unamortized loss on refunding	877,025
Pension items - IMRF	<u>2,418,859</u>
Total deferred outflows of resources	<u>3,295,884</u>
Total assets and deferred outflows of resources	<u>114,526,403</u>
<b>LIABILITIES</b>	
Accounts payable	948,682
Accrued payroll	311,598
Accrued interest payable	54,663
Other unearned revenue	324,856
Long-term liabilities	
Due within one year	1,382,918
Due in more than one year	<u>28,021,721</u>
Total liabilities	<u>31,044,438</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred property taxes	14,691,027
Pension items - IMRF	<u>619,054</u>
Total deferred inflows of resources	<u>15,310,081</u>
Total liabilities and deferred inflows of resources	<u>46,354,519</u>
<b>NET POSITION</b>	
Net investment in capital assets	60,935,864
Restricted for	
Liability insurance	445,270
Audit	7,321
Museum	35,990
Special recreation	665,777
Retirement	2,204,103
Debt service	792,699
Unrestricted	<u>3,084,860</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 68,171,884</u></u>

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and
					Change in
PRIMARY GOVERNMENT					Net Position
					Primary
					Governmental
					Activities
Governmental Activities					
General government	\$ 9,500,848	\$ -	\$ -	\$ -	\$ (9,500,848)
Culture and recreation	14,912,921	7,644,765	-	-	(7,268,156)
Interest and fiscal charges	896,438	-	-	-	(896,438)
Total governmental activities	25,310,207	7,644,765	-	-	(17,665,442)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 25,310,207</b>	<b>\$ 7,644,765</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(17,665,442)</b>
	General Revenues				
	Taxes				
	Property taxes				14,153,383
	Replacement taxes				198,571
	Intergovernmental - unrestricted				52,100
	Investment income				230,015
	Miscellaneous				331,412
	Total				14,965,481
	CHANGE IN NET POSITION				(2,699,961)
	NET POSITION, JANUARY 1				71,175,566
	Prior period adjustment				(303,721)
	NET POSITION, JANUARY 1, RESTATED				70,871,845
	NET POSITION, DECEMBER 31				\$ 68,171,884

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2017

	<b>General</b>	<b>Recreation</b>	<b>Acquisition and Improvements</b>	<b>Debt Service</b>	<b>Total Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash and investments	\$ 8,664,519	\$ 6,813,115	\$ 8,929,228	\$ 796,322	\$ 666,968	\$ 25,870,152
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	7,951,403	4,005,872	-	1,913,989	797,477	14,668,741
Interest	47,491	-	28,132	-	-	75,623
Notes	1,036,211	-	-	-	-	1,036,211
Accounts	56,321	344,690	56,263	-	-	457,274
Inventory	-	6,030	-	-	-	6,030
Prepaid items	151,578	20,717	-	-	-	172,295
<b>TOTAL ASSETS</b>	<b>\$ 17,907,523</b>	<b>\$ 11,190,424</b>	<b>\$ 9,013,623</b>	<b>\$ 2,710,311</b>	<b>\$ 1,464,445</b>	<b>\$ 42,286,326</b>

	General	Recreation	Acquisition and Improvements	Debt Service	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 56,107	\$ 186,798	\$ 705,777	\$ -	\$ -	\$ 948,682
Accrued payroll	163,371	148,227	-	-	-	311,598
Other unearned revenue	-	324,856	-	-	-	324,856
Total liabilities	219,478	659,881	705,777	-	-	1,585,136
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - notes	1,036,211	-	-	-	-	1,036,211
Unavailable property taxes	7,963,236	4,011,511	-	1,917,612	798,668	14,691,027
Total deferred inflows of resources	8,999,447	4,011,511	-	1,917,612	798,668	15,727,238
Total liabilities and deferred inflows of resources	9,218,925	4,671,392	705,777	1,917,612	798,668	17,312,374
<b>FUND BALANCES</b>						
Nonspendable						
Inventory	-	6,030	-	-	-	6,030
Prepaid items	151,578	20,717	-	-	-	172,295
Restricted						
Liability insurance	445,270	-	-	-	-	445,270
Audit	7,321	-	-	-	-	7,321
Museum	-	35,990	-	-	-	35,990
Special recreation	-	-	-	-	665,777	665,777
Retirement	2,204,103	-	-	-	-	2,204,103
Debt service	-	-	-	792,699	-	792,699
Assigned						
Recreation programs	-	6,456,295	-	-	-	6,456,295
Capital projects	-	-	8,307,846	-	-	8,307,846
Unassigned						
General fund	5,880,326	-	-	-	-	5,880,326
Total fund balances	8,688,598	6,519,032	8,307,846	792,699	665,777	24,973,952
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 17,907,523</b>	<b>\$ 11,190,424</b>	<b>\$ 9,013,623</b>	<b>\$ 2,710,311</b>	<b>\$ 1,464,445</b>	<b>\$ 42,286,326</b>

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

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

December 31, 2017

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 24,973,952
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	68,944,193
The loss on refunding of bonds is deferred and amortized on the statement of net position	877,025
Differences between expected and actual experiences, assumption changes and the net difference between projected and actual earnings for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,799,805
Revenues are recognized for governmental activities when earned regardless of availability	1,036,211
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(23,075,000)
Net pension liability - IMRF	(5,090,542)
Unamortized premium on bonds payable	(874,508)
Compensated absences payable	(364,589)
Accrued interest payable	<u>(54,663)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 68,171,884</u></u>

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

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

For the Year Ended December 31, 2017

	General	Recreation	Acquisition and Improvements	Debt Service	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 7,704,502	\$ 3,806,812	\$ -	\$ 2,081,563	\$ 759,077	\$ 14,351,954
Charges for services	-	7,644,765	-	-	-	7,644,765
Intergovernmental	-	2,528	49,572	-	-	52,100
Investment income	164,612	3	65,400	-	-	230,015
Donations	47	16,671	-	-	-	16,718
Miscellaneous	161,377	65,715	238,053	-	-	465,145
Total revenues	8,030,538	11,536,494	353,025	2,081,563	759,077	22,760,697
<b>EXPENDITURES</b>						
Current						
General government	7,267,025	-	-	-	-	7,267,025
Culture and recreation	-	9,717,136	10,973	-	472,559	10,200,668
Capital outlay	70,067	62,220	5,613,929	-	-	5,746,216
Debt service						
Principal retirement	430,000	-	-	890,000	-	1,320,000
Interest and fiscal charges	230,113	-	-	442,318	-	672,431
Bond issuance costs	212	-	177,561	1,916	-	179,689
Total expenditures	7,997,417	9,779,356	5,802,463	1,334,234	472,559	25,386,029
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	33,121	1,757,138	(5,449,438)	747,329	286,518	(2,625,332)



	<b>General</b>	<b>Recreation</b>	<b>Acquisition and Improvements</b>	<b>Debt Service</b>	<b>Total Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	\$ -	\$ -	\$ 8,820,000	\$ -	\$ -	\$ 8,820,000
Premium on issuance of bonds	-	-	361,943	-	-	361,943
Transfers in	747,328	-	-	-	-	747,328
Transfers out	-	-	-	(747,328)	-	(747,328)
Total other financing sources (uses)	747,328	-	9,181,943	(747,328)	-	9,181,943
NET CHANGE IN FUND BALANCES	780,449	1,757,138	3,732,505	1	286,518	6,556,611
FUND BALANCES, JANUARY 1	7,908,149	4,761,894	4,575,341	792,698	379,259	18,417,341
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 8,688,598</b>	<b>\$ 6,519,032</b>	<b>\$ 8,307,846</b>	<b>\$ 792,699</b>	<b>\$ 665,777</b>	<b>\$ 24,973,952</b>

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

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

For the Year Ended December 31, 2017

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 6,556,611</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized in the statement of activities	
Capital assets purchased	2,171,349
Loss on disposal of capital assets	(23,919)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds	
	(150,451)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(2,371,705)
Amortization of bond premiums	46,969
Amortization of loss on refunding	(69,104)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
	1,320,000
The issuance of long-term debt is reported as an other financing source in the fund level but an increase in liabilities at the government-wide financial statements	
Proceeds from sale of bonds	(8,820,000)
Premium on bond proceeds	(361,943)
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	
	(22,183)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	
	370,761
The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	
	(1,367,722)
The change in compensated absences liability is reported as an expense on the statement of activities	
	21,376
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (2,699,961)</b>

See accompanying notes to financial statements.

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2017

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

a. Reporting Entity

The District is a municipal corporation governed by an elected five-member board. As required by GAAP, these financial statements present the District (the primary government). There are no component units that are required to be included in the District's reporting entity because of the significance of their operational or financial relationship with the District.

b. Fund Accounting

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

The District's funds are classified into the governmental category:

Governmental funds are used to account for all of the District's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the acquisition or construction of major capital assets other than those financed by proprietary funds (capital projects funds) and the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term obligations (debt service funds). The General Fund is used to account for all activities of the District not accounted for in another fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. With the exception of interfund services provided and used, the effect of material interfund activity has been eliminated from these statements. Governmental activities, are normally supported by taxes and intergovernmental revenues.

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

The District reports the following major governmental funds:

The General Fund (the District's Corporate Fund) accounts for the resources traditionally associated with local government, except those accounted for in another fund. Included in these services are general administration and park maintenance. Financing is primarily provided from an annual property tax levy and Illinois personal property replacement taxes.

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

The Acquisitions and Improvement Fund accounts for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Financing is provided by grants and donations.

The Debt Service Fund was established to account for restricted, committed or assigned resources required for the payment of principal and interest.

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

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

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related liability is incurred. Principal and interest on general long-term debt are recorded as expenditures become due.

Those revenues susceptible to accrual (within 60 days) are property taxes, interest revenue and charges for services.

The District reports unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable revenues arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred revenues arise when property tax levies are intended to finance the next fiscal year. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the District before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the issuance of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability and deferred inflows of resource for unearned and unavailable/deferred revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Inventories

Inventories are valued at cost, which approximates market, using the weighted average method.

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items.

h. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., bike trails, paths, roads, bridges and similar items) and intangibles (software and easements) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$250,000 for infrastructure, \$50,000 for buildings and building improvements and \$10,000 for vehicles, machinery and equipment and furniture and fixtures and an estimated useful life in excess of three years. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Improvements	10-30
Machinery and equipment	15-20
Furniture and fixtures	5-20
Vehicles	7-10

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Compensated Absences

Accumulated unpaid vacation and other employee benefit amounts for governmental funds are accrued in these funds as a current liability to the extent that employees have retired or terminated at year end but have not been paid. Vested or accumulated vacation leave of proprietary funds at both levels and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees. No liability is reported for unpaid accumulated sick leave since it is the District's policy to record the cost of sick leave only when used as it does not vest or accumulate, nor is it paid upon termination and/or retirement.

j. Use of Estimates

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

k. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Unamortized losses or gains on refundings, bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported as net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

l. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

l. Fund Balance/Net Position (Continued)

externally imposed by outside entities or from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Commissioners, which is considered the District's highest level of decision-making authority. Formal action to establish, modify or rescind commitments involves ordinances approved by the Board of Commissioners. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's Executive Director through the District's fund balance policy. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

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

The various special revenue funds supported by property taxes are restricted due to the restricted revenue streams of the fund balance. Other funds are restricted due to the nature of the contributions to the fund.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

m. Interfund Transactions

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

All other interfund transactions, except reimbursements, are reported as transfers.



**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. One deferred outflow relates to the implementation of GASB Statement No. 68 and is detailed in Note 10. The other deferred outflow is the unamortized loss on refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources.

This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**2. DEPOSITS AND INVESTMENTS**

The District's funds categorize the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Permitted Deposits and Investments - Illinois Compiled Statutes (ILCS) and the District's investment policy authorize the District to invest in obligations issued by the United States Government, investments constituting direct obligations of any bank, short-term commercial paper of United States corporations with assets exceeding \$500 million, short-term obligations issued by the Federal National Mortgage Association, shares or other securities issued by savings and loan associations, share accounts of credit unions chartered in the United States with its principal office located in Illinois, securities issued by Illinois Funds, Illinois Park District Liquid Asset Fund (IPDLAF), Illinois Metropolitan Investment Fund (IMET) and other securities as allowed by the Illinois Public Funds Investment Act.

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**2. DEPOSITS AND INVESTMENTS (Continued)**

Illinois Funds, an investment pool created by the State of Illinois Legislature under the control fo the Office of the Treasurer, is a money market mutual fund that is valued at amortized cost and allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company,.

IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET’s share price, the price for which the investment could be sold.

In addition, the Board of Commissioners of the District has adopted an investment policy which provides further restrictions on the investment of district funds. It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are: legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the District’s deposits may not be returned to it. The District’s investment policy requires pledging of collateral to be held in the name of the District by the District’s agent with a market value of at least 102% for all bank balances in excess of federal depository insurance.

Investments

The following table presents the investments and maturities of the District’s debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Municipal bonds	\$ 102,997	\$ -	\$ 102,997	\$ -	\$ -
U.S. Treasuries	1,991,312	\$ 1,991,312	-	-	-
Negotiable certificates of deposit	9,562,124	6,596,511	2,965,613	-	-
<b>TOTAL</b>	<b>\$ 11,656,433</b>	<b>\$ 8,587,823</b>	<b>\$ 3,068,610</b>	<b>\$ -</b>	<b>\$ -</b>

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring its portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**2. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

The District has the following recurring fair value measurements as of December 31, 2017. The US Treasuries, negotiable certificates of deposit, state and municipal obligations are valued using quoted matrix pricing models (Level 2 inputs).

In order to limit its exposure to concentration of credit risk, the District's investment policy limits the District's investments to the safest types of securities: pre-qualified financial institutions, broker/dealers, intermediaries and advisors with which the District does business and diversifies the investment portfolio so that potential losses on individual securities will be minimized.

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

Concentration of credit risk is the risk that the District has a high percentage of its investments invested in one type of investment. The investment policy does not include any limitations on individual investment types.

**3. RECEIVABLES**

a. Taxes

Property taxes for 2017 attach as an enforceable lien on January 1, 2017, on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and issued on or about February 1, 2017 and July 1, 2017 and are payable in two installments on or about March 1, 2017 and August 1, 2017. The County collects such taxes and remits them periodically.

b. Notes

The District has executed for notes receivable to various organizations utilizing and seeking to improve District facilities. These notes range in principal from \$90,000 to \$889,000 and total \$1,036,211. Payments are due in annual installments ranging from \$6,000 to \$90,000 with interest ranging from zero to 4.25%, maturing between 2023 and 2031.

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**4. JOINT GOVERNED ORGANIZATION - NORTHWEST SPECIAL RECREATION ASSOCIATION**

The District is a member of the Northwest Special Recreation Association (NWSRA), which was organized by 16 area park districts in order to provide special recreation programs to the physically and mentally handicapped within their districts and to share the expenses of such programs on a cooperative basis. Each member district's fiscal year 2017 contribution is based on its pro rata share of 75% of the assessed valuation and 25% of the gross populations. For the year ended December 31, 2017, the District contributed \$471,569 to NWSRA.

NWSRA's Board of Directors consists of one member from each participating district. The Board of Directors is the governing body of NWSRA and is responsible for establishing all major policies and changes therein and for approving all budgets, capital outlay, programming and master plans. The District is not financially accountable for the activities of NWSRA and, accordingly, NWSRA has not been included in the accompanying financial statements.

Complete financial statements for NWSRA can be obtained from NWSRA administrative offices at 3000 Central Road, Rolling Meadows, Illinois 60008.

**5. CAPITAL ASSETS**

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

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 33,737,978	\$ -	\$ -	\$ 33,737,978
Construction in progress	180,773	286,580	180,773	286,580
Total capital assets not being depreciated	33,918,751	286,580	180,773	34,024,558
Capital assets being depreciated				
Land improvements	21,931,889	1,004,933	23,919	22,912,903
Buildings and improvements	48,095,906	254,612	-	48,350,518
Furniture and fixtures	3,198,807	12,358	-	3,211,165
Equipment	11,220,918	793,639	-	12,014,557
Total capital assets being depreciated	84,447,520	2,065,542	23,919	84,489,143
Less accumulated depreciation for				
Land improvements	12,142,322	962,317	-	13,104,639
Buildings and improvements	25,854,330	854,570	-	26,708,900
Furniture and fixtures	3,048,468	37,799	-	3,086,267
Equipment	8,152,683	517,019	-	8,669,702
Total accumulated depreciation	49,197,803	2,371,705	-	51,569,508
Total capital assets being depreciated, net	35,249,717	(306,163)	23,919	34,919,635
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 69,168,468	\$ (19,583)	\$ 204,692	\$ 68,944,193

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. CAPITAL ASSETS (Continued)**

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 1,712,182
Culture and recreation	<u>659,523</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,371,705</u></u>

**6. RISK MANAGEMENT**

The District is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters.

a. Metro Risk Management Agency

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

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

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

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

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

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. RISK MANAGEMENT (Continued)**

a. Metro Risk Management Agency (Continued)

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

The following represents a summary of MRMA's Property/Casualty Program's balance sheet at March 31, 2017 (the most recent information available) and the statement of revenues and expenses for the period ended March 31, 2017. The District made payments of \$514,652 to MRMA during the year ended December 31, 2017.

Assets	\$ 1,040,517
Liabilities	1,123,294
Member balances	(96,222)
Revenues	1,966,094
Expenditures	2,002,459

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

b. Health Program

The District purchases health insurance for its employees through a broker.

**7. SHORT-TERM DEBT**

Changes in Short-Term Liabilities

During the year ended December 31, 2017, the following changes occurred in short-term liabilities:

	Fund Debt Retired By	Balance May 1	Additions	Reductions	Balance April 30	Current Portion
Taxable General Obligation Limited Tax Park Bond Series of 2017; \$755,500 dated April 3, 2017; maturing April 10, 2017; payable in annual installments; interest rate of 1.05%	Debt Service	\$ -	\$ 755,500	\$ 755,500	\$ -	\$ -
<b>TOTAL</b>		<u>\$ -</u>	<u>\$ 755,500</u>	<u>\$ 755,500</u>	<u>\$ -</u>	<u>\$ -</u>

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**8. LONG-TERM DEBT**

a. General Obligation Bonds

The General Obligation Series 2017 Bonds were issued to refund certain outstanding general obligation alternate bonds.

The District issues general obligation bonds and debt certificates to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund general obligation bonds.

General obligation bonds and debt certificates are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions/ Refundings	Balances December 31	Current Portion
\$3,000,000 General Obligation Alternative Revenue Source Bonds, Series 2011, due in installments of \$170,000 to \$250,000 plus interest at 2.250% to 4.125% through December 1, 2025.	Bond and Interest	\$ 1,930,000	\$ -	\$ 185,000	\$ 1,745,000	\$ 190,000
\$2,750,000 General Obligation Refunding Bonds, Series 2012, due in installments of \$305,000 to \$415,000 plus interest at 2.00% to 3.50% through December 1, 2023.	Bond and Interest	2,555,000	-	325,000	2,230,000	330,000
\$2,530,000 Taxable General Obligation Limited Bonds, Series 2015B, due in installments of \$155,000 to \$630,000 plus interest at 0.70% to 1.90% through December 1, 2019.	Bond and Interest	1,815,000	-	565,000	1,250,000	620,000
\$5,335,000 General Obligation Alternate Revenue Source Refunding Park Bonds, Series 2015C, due in installments of \$65,000 to \$1,145,000 plus interest at 2% to 4% through December 1, 2026.	Bond and Interest	5,150,000	-	245,000	4,905,000	170,000

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**8. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions/ Refundings	Balances December 31	Current Portion
\$4,125,000 General Obligation Limited Tax Refunding Park Bonds, Series 2015D, due in installments of \$390,000 to \$845,000 plus interest at 2.50% to 4.00% through December 1, 2027.	Bond and Interest	\$ 4,125,000	\$ -	\$ -	\$ 4,125,000	\$ -
\$8,820,000 General Obligation Park Bond, Series 2017, due in installments of \$500,000 to \$1,070,000 plus interest at 3% to 4% through December 1, 2036.	Bond and Interest	-	8,820,000	-	8,820,000	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 15,575,000</b>	<b>\$ 8,820,000</b>	<b>\$ 1,320,000</b>	<b>\$ 23,075,000</b>	<b>\$ 1,310,000</b>

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	General Obligation Bonds Governmental Activities	
	Principal	Interest
2018	\$ 1,310,000	\$ 756,675
2019	1,395,000	723,770
2020	1,445,000	688,350
2021	1,485,000	642,025
2022	1,505,000	594,425
2023	1,560,000	549,300
2024	1,590,000	496,013
2025	1,635,000	438,488
2026	1,435,000	389,013
2027	1,345,000	345,961
2028	805,000	303,500
2029	830,000	279,350
2030	855,000	254,450
2031	880,000	228,800
2032	915,000	198,000
2033	950,000	161,400
2034	990,000	123,400
2035	1,025,000	83,800
2036	1,070,000	42,800
<b>TOTAL</b>	<b>\$ 23,025,000</b>	<b>\$ 7,299,520</b>



**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**8. LONG-TERM DEBT (Continued)**

c. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in long-term liabilities:

	Balances January 1, as Restated	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds	\$ 15,575,000	\$ 8,820,000	\$ 1,320,000	\$ 23,075,000	\$ 1,310,000
Compensated absences*	385,965	77,193	98,569	364,589	72,918
Unamortized premium	559,534	361,943	46,969	874,508	-
Net pension liability - IMRF*	5,461,303	-	370,761	5,090,542	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 21,981,802</b>	<b>\$ 9,259,136</b>	<b>\$ 1,836,299</b>	<b>\$ 29,404,639</b>	<b>\$ 1,382,918</b>

\*The General and Recreation Funds are used to liquidate these liabilities.

d. Legal Debt Margin

ASSESSED VALUATION - 2016 (LATEST AVAILABLE AMOUNT)	<u>\$ 2,243,923,289</u>
LEGAL DEBT LIMIT - 2.875% OF ASSESSED VALUATION	\$ 64,512,795
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT	
GENERAL OBLIGATION DEBT	
Park Bonds Series 2012A	\$ 2,230,000
Park Bonds Series 2015B	1,250,000
Park Bonds Series 2015D	4,125,000
Park Bond Series of 2017	<u>8,820,000</u>
LEGAL DEBT MARGIN	<u>\$ 16,425,795</u>
NONREFERENDUM LEGAL DEBT LIMIT - 0.575% OF ASSESSED VALUATION	\$ 12,902,559
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT	
Park Bond Series of 2012A	<u>2,230,000</u>
NONREFERENDUM LEGAL DEBT MARGIN	<u>\$ 10,672,559</u>

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. LONG-TERM DEBT (Continued)**

d. Legal Debt Margin (Continued)

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 protecting 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 5.75% 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."

In 1977, no such a referendum was approved (from 2.50% to 5.00%). When the personal property tax was eliminated, the limitation was raised to 5.75%.

e. Alternate Revenue Source Bonds

The District issued the Series 2011 General Obligation Alternate Revenue Source Bonds to provide funds for the renovation of Eagle Pool. These bonds are payable from a pledge money lawfully available in the District's general fund and proceeds of the District's non-referendum general obligation bonds to be issued.

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

The remaining pledge of the General Fund, if necessary, is taken from revenues available to the District in the following order: unbudgeted miscellaneous revenues, investment income and replacement tax. Should that be insufficient, the District would charge such excess to the General Fund's accumulated fund balance. The remaining pledge of moneys lawfully available in the District's corporate fund and proceeds of the District's non-referendum general obligation bonds to be issued is displayed in

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**8. LONG-TERM DEBT (Continued)**

e. Alternate Revenue Source Bonds (Continued)

Note 8d, debt service requirements to maturity, with the pledge expiring December 15, 2036, when the bonds are paid off. During the current fiscal year, the pledge moneys lawfully available in the District's General Fund and proceeds of the District's non-referendum general obligation bonds to be issued of \$191,139 was approximately 25% of total unbudgeted miscellaneous revenues, investment income and replacement tax revenues.

**9. CONTINGENT LIABILITIES**

a. 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.

b. 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.

**10. RETIREMENT FUND COMMITMENTS**

Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org).

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Plan Administration*

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

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

*Plan Membership*

At December 31, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	123
Active employees	<u>117</u>
 TOTAL	 <u><u>319</u></u>

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Contributions*

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rates for the calendar year ended December 31, 2016 and 2017 was 13.33% and 12.82%, respectively, of covered payroll.

*Actuarial Assumptions*

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

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

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

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**10. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

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

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 30,947,159	\$ 25,485,856	\$ 5,461,303
Changes for the period			
Service cost	612,893	-	612,893
Interest	2,290,534	-	2,290,534
Difference between expected and actual experience	(752,695)	-	(752,695)
Changes in assumptions	(113,753)	-	(113,753)
Employer contributions	-	757,493	(757,493)
Employee contributions	-	259,574	(259,574)
Net investment income	-	1,766,840	(1,766,840)
Benefit payments and refunds	(1,180,992)	(1,180,992)	-
Administrative expense	-	-	-
Other (net transfer)	-	(376,167)	376,167
Net changes	855,987	1,226,748	(370,761)
BALANCES AT DECEMBER 31, 2016	\$ 31,803,146	\$ 26,712,604	\$ 5,090,542

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2017, the District recognized pension expense of \$1,750,118. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 125,825	\$ 537,781
Changes in assumption	240,358	81,273
Net difference between projected and actual earnings on pension plan investments	1,299,521	-
Employer contributions subsequent to the measurement date	753,155	-
<b>TOTAL</b>	<b>\$ 2,418,859</b>	<b>\$ 619,054</b>

\$753,155 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

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

<u>Year Ending December 31,</u>	
2018	\$ 533,032
2019	232,471
2020	256,277
2021	24,870
2022	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 1,046,650</b>

**PALATINE PARK DISTRICT**  
**PALATINE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**10. RETIREMENT FUND COMMITMENTS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 9,174,845	\$ 5,090,542	\$ 1,710,120

**11. OTHER POSTEMPLOYMENT BENEFITS**

The District allows employees, who retire through the District's pension plan disclosed in Note 10, the option to continue in the District's health insurance plan as required by ILCS, but the retiree pays the full premium for the health insurance. This has not created an implicit subsidy as defined by GASB Statement No. 45 (GASB S-45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as the District's health insurance plan is considered a community rated plan. In addition, the District has no explicit subsidy as defined in GASB S-45.

**12. PRIOR PERIOD ADJUSTMENT**

The beginning balance of governmental activities has been restated by \$(303,721) to correct capital asset balances.



**REQUIRED SUPPLEMENTARY INFORMATION**

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

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

For the Year Ended December 31, 2017

	<b>Original and Final Budget</b>	<b>Original and Final Appropriations</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes	\$ 7,465,690	\$ 7,465,690	\$ 7,704,502
Charges for services	157,345	157,345	-
Investment income	21,129	21,129	164,612
Donations	-	-	47
Miscellaneous	-	-	161,377
	<hr/>		
Total revenues	7,644,164	7,644,164	8,030,538
<hr/>			
<b>EXPENDITURES</b>			
Current			
General government	8,180,701	8,998,771	7,267,025
Capital outlay	-	-	70,067
Debt service			
Principal retirement	793,471	872,818	430,000
Interest and fiscal charges	-	-	230,113
Bond issuance costs	-	-	212
	<hr/>		
Total expenditures	8,974,172	9,871,589	7,997,417
<hr/>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,330,008)</b>	<b>(2,227,425)</b>	<b>33,121</b>
<hr/>			
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	896,862	896,862	747,328
	<hr/>		
Total other financing sources (uses)	896,862	896,862	747,328
<hr/>			
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (433,146)</b>	<b>\$ (1,330,563)</b>	<b>780,449</b>
<hr/>			
<b>FUND BALANCE, JANUARY 1</b>			<b>7,908,149</b>
			<hr/>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 8,688,598</b>
			<hr/>

(See independent auditor's report.)

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

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

For the Year Ended December 31, 2017

	<b>Original and Final Budget</b>	<b>Original and Final Appropriations</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes	\$ 4,281,301	\$ 4,281,301	\$ 3,806,812
Charges for services	7,982,702	7,982,702	7,644,765
Intergovernmental	-	-	2,528
Investment income	-	-	3
Donations	185,400	185,400	16,671
Miscellaneous	829,735	829,735	65,715
<b>Total revenues</b>	<b>13,279,138</b>	<b>13,279,138</b>	<b>11,536,494</b>
<b>EXPENDITURES</b>			
Culture and recreation	10,837,126	11,920,839	9,717,136
Capital outlay	115,461	127,007	62,220
<b>Total expenditures</b>	<b>10,952,587</b>	<b>12,047,846</b>	<b>9,779,356</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,326,551</b>	<b>1,231,292</b>	<b>1,757,138</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(2,000,000)	(2,200,000)	-
<b>Total other financing sources (uses)</b>	<b>(2,000,000)</b>	<b>(2,200,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 326,551</b>	<b>\$ (968,708)</b>	<b>1,757,138</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>4,761,894</b>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 6,519,032</b>

(See independent auditor's report.)

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Three Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Actuarially determined contribution	\$ 704,562	\$ 757,493	\$ 753,155
Contributions in relation to the actuarially determined contribution	704,561	757,493	753,155
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-employee payroll	\$ 5,587,325	\$ 5,682,615	\$ 5,682,615
Contributions as a percentage of covered-employee payroll	12.61%	13.33%	13.25%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 4.40% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

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

(See independent auditor's report.)

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

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

Last Three Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015*</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 632,502	\$ 603,528	\$ 612,893
Interest	1,943,627	2,157,573	2,290,534
Changes of benefit terms	-	-	-
Differences between expected and actual experience	284,944	151,888	(752,695)
Changes of assumptions	1,104,414	37,583	(113,753)
Benefit payments, including refunds of member contributions	(950,531)	(1,092,407)	(1,180,992)
Net change in total pension liability	3,014,956	1,858,165	855,987
Total pension liability - beginning	26,074,038	29,088,994	30,947,159
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 29,088,994</b>	<b>\$ 30,947,159</b>	<b>\$ 31,803,146</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	\$ 651,736	\$ 704,561	\$ 757,493
Contributions - member	280,266	257,971	259,574
Net investment income	1,471,575	126,918	1,766,840
Benefit payments, including refunds of member contributions	(950,531)	(1,092,407)	(1,180,992)
Other	(137,962)	40,277	(376,167)
Net change in plan fiduciary net position	1,315,084	37,320	1,226,748
Plan net position - beginning	24,133,452	25,448,536	25,485,856
<b>PLAN NET POSITION - ENDING</b>	<b>\$ 25,448,536</b>	<b>\$ 25,485,856</b>	<b>\$ 26,712,604</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 3,640,458</b>	<b>\$ 5,461,303</b>	<b>\$ 5,090,542</b>
Plan fiduciary net position as a percentage of the total pension liability	87.49%	82.35%	83.99%
Covered-employee payroll	\$ 5,325,582	\$ 5,587,325	\$ 5,682,615
Employer's net pension liability as a percentage of covered-employee payroll	68.36%	97.74%	89.58%

\*The District elected to report information from the December 31, 2016 actuarial valuation.

The discount rate assumption was 7.47% in 2014 and 2015, and 7.50% in 2016.

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

(See independent auditor's report.)

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

December 31, 2017

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**LEGAL COMPLIANCE AND ACCOUNTABILITY**

**Budgets**

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

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

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

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

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

The Bond and Interest Fund's actual expenditures exceeded the final appropriation by \$99,770.

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

**MAJOR GOVERNMENTAL FUNDS**



**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**SCHEDULE OF REVENUES  
GENERAL FUND**

For the Year Ended December 31, 2017

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	<u>General</u>
<b>TAXES</b>	
Property taxes	\$ 7,505,931
Replacement taxes	<u>198,571</u>
Total taxes	<u>7,704,502</u>
<b>INVESTMENT INCOME</b>	<u>164,612</u>
<b>DONATIONS</b>	<u>47</u>
<b>MISCELLANEOUS</b>	
Other	<u>161,377</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 8,030,538</u></u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**SCHEDULE OF EXPENDITURES  
GENERAL FUND**

For the Year Ended December 31, 2017

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	<u>General</u>
<b>GENERAL GOVERNMENT</b>	
Current	
General government	
Personnel services	\$ 4,276,939
Supplies and commodities	535,416
Contractual services	1,028,678
Repairs and maintenance	65,073
Insurance	<u>1,360,919</u>
Total general government	<u>7,267,025</u>
Capital outlay	
Capital improvements	<u>70,067</u>
Total capital outlay	<u>70,067</u>
Debt service	
Principal retirement	430,000
Interest and fiscal charges	230,113
Bond issuance costs	<u>212</u>
Total debt service	<u>660,325</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 7,997,417</u></u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**SCHEDULE OF REVENUES  
RECREATION FUND**

For the Year Ended December 31, 2017

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	<u>Recreation</u>
<b>TAXES</b>	
Property taxes	\$ 3,806,812
Total taxes	<u>3,806,812</u>
<b>CHARGES FOR SERVICES</b>	
Registrations and lesson fees	5,396,935
Daily fees and ticket sales	216,539
Golf fees and admissions	663,658
Other program revenues	1,078,893
Rentals	217,280
Concession sales	62,485
Special events	8,975
Total charges for services	<u>7,644,765</u>
<b>INTERGOVERNMENTAL</b>	
Grants	<u>2,528</u>
Total intergovernmental	<u>2,528</u>
<b>INVESTMENT INCOME</b>	<u>3</u>
<b>DONATIONS</b>	<u>16,671</u>
<b>MISCELLANEOUS</b>	
Other	<u>65,715</u>
Total miscellaneous	<u>65,715</u>
<b>TOTAL REVENUES</b>	<u>\$ 11,536,494</u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**SCHEDULE OF EXPENDITURES  
RECREATION FUND**

For the Year Ended December 31, 2017

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	<u>Recreation</u>
<b>CULTURE AND RECREATION</b>	
Current	
Personnel services	\$ 5,634,400
Supplies and commodities	1,031,172
Contractual services	2,509,836
Medical insurance	<u>541,728</u>
Total culture and recreation	<u>9,717,136</u>
Capital outlay	
Capital improvements	<u>62,220</u>
Total capital outlay	<u>62,220</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 9,779,356</u></u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

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

For the Year Ended December 31, 2017

	<b>Original and Final Budget</b>	<b>Original and Final Appropriations</b>	<b>Actual</b>
<b>REVENUES</b>			
Intergovernmental			
TIF surplus from Village	\$ 50,000	\$ 50,000	\$ 49,572
Investment income	-	-	65,400
Other income	31,000	31,000	238,053
	<u>81,000</u>	<u>81,000</u>	<u>353,025</u>
<b>EXPENDITURES</b>			
Current			
Culture and recreation			
Contractual services	200,000	220,000	10,973
Capital outlay	12,376,470	13,614,117	5,613,929
Debt Service			
Bond issuance costs	-	-	177,561
	<u>12,576,470</u>	<u>13,834,117</u>	<u>5,802,463</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(12,495,470)</u>	<u>(13,753,117)</u>	<u>(5,449,438)</u>
<b>OTHER FINANCING SOURCE (USES)</b>			
Bond proceeds	9,000,000	9,000,000	8,820,000
Premium on issuance of bonds	-	-	361,943
Transfers in	2,333,000	2,333,000	-
	<u>11,333,000</u>	<u>11,333,000</u>	<u>9,181,943</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (1,162,470)</u></u>	<u><u>\$ (2,420,117)</u></u>	3,732,505
<b>FUND BALANCE, JANUARY 1</b>			<u>4,575,341</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 8,307,846</u></u>

(See independent auditor's report.)

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

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

For the Year Ended December 31, 2017

	<b>Original and Final Budget</b>	<b>Original and Final Appropriations</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property	\$ 2,019,502	\$ 2,221,012	\$ 2,081,563
Total revenues	<u>2,019,502</u>	<u>2,221,012</u>	<u>2,081,563</u>
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	890,000	979,000	890,000
Interest and fiscal charges	232,240	255,464	442,318
Issuance costs	-	-	1,916
Total expenditures	<u>1,122,240</u>	<u>1,234,464</u>	<u>1,334,234</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>897,262</u>	<u>986,548</u>	<u>747,329</u>
<b>OTHER FINANCING SOURCE (USES)</b>			
Transfers (out)	<u>(896,862)</u>	<u>(986,548)</u>	<u>(747,328)</u>
Total other financing sources (uses)	<u>(896,862)</u>	<u>(986,548)</u>	<u>(747,328)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 400</u>	<u>\$ -</u>	<u>1</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>792,698</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 792,699</u>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUND**

### **SPECIAL REVENUE FUND**

Special revenue funds are established to account for the proceeds of specific revenue sources (other than special assessments or for major capital projects) that are legally restricted or committed to expenditure for specified purposes.

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

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

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

For the Year Ended December 31, 2017

	<b>Original and Final Budget</b>	<b>Original and Final Appropriations</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 796,705	\$ 796,705	\$ 759,077
Total revenues	<u>796,705</u>	<u>796,705</u>	<u>759,077</u>
<b>EXPENDITURES</b>			
Current			
Culture and recreation			
Contractual services	472,564	519,820	472,559
Total expenditures	<u>472,564</u>	<u>519,820</u>	<u>472,559</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>324,141</u>	<u>276,885</u>	<u>286,518</u>
<b>OTHER FINANCING SOURCE (USES)</b>			
Transfers (out)	<u>(333,000)</u>	<u>(366,300)</u>	-
Total other financing sources (uses)	<u>(333,000)</u>	<u>(366,300)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ (8,859)</u>	<u>\$ (89,415)</u>	286,518
FUND BALANCE, JANUARY 1			<u>379,259</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 665,777</u></u>

(See independent auditor's report.)



## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have been changed over time.	45-54
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	55-59
<b>Debt Capacity</b> 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.	60-63
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	64-65
<b>Operating Information</b> 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.	66-68

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

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 29,066,590	\$ 37,600,627	\$ 39,539,037	\$ 41,976,563
Restricted	-	-	-	-
Unrestricted	32,485,915	274,631	30,139,805	32,005,273
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 61,552,505</b>	<b>\$ 37,875,258</b>	<b>\$ 69,678,842</b>	<b>\$ 73,981,836</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 2,854,998	\$ 2,575,463	\$ 2,627,428	\$ 2,634,844
Restricted	-	-	-	-
Unrestricted	(187,621)	(371,854)	(612,258)	(1,069,597)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 2,667,377</b>	<b>\$ 2,203,609</b>	<b>\$ 2,015,170</b>	<b>\$ 1,565,247</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 31,921,588	\$ 40,176,090	\$ 42,166,465	\$ 44,611,407
Restricted	-	-	-	-
Unrestricted	32,298,294	(97,223)	29,527,547	30,935,676
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 64,219,882</b>	<b>\$ 40,078,867</b>	<b>\$ 71,694,012</b>	<b>\$ 75,547,083</b>

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

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

Data Source

Audited Financial Statements

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015*</b>	<b>2016</b>	<b>2017</b>
\$ 46,107,767	\$ 46,740,117	\$ 47,260,725	\$ 52,462,909	\$ 54,283,777	\$ 60,935,864
1,565,281	1,470,558	1,447,791	1,963,486	3,864,641	4,151,160
28,580,222	30,842,969	16,817,140	13,809,478	13,027,148	3,084,860
<b>\$ 76,253,270</b>	<b>\$ 79,053,644</b>	<b>\$ 65,525,656</b>	<b>\$ 68,235,873</b>	<b>\$ 71,175,566</b>	<b>\$ 68,171,884</b>
\$ 2,807,118	\$ 2,750,817	\$ 3,171,415	\$ -	\$ -	\$ -
-	-	-	-	-	-
(1,441,936)	(1,739,480)	(1,801,948)	-	-	-
<b>\$ 1,365,182</b>	<b>\$ 1,011,337</b>	<b>\$ 1,369,467</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
\$ 48,914,885	\$ 49,490,934	\$ 50,432,140	\$ 52,462,909	\$ 54,283,777	\$ 60,935,864
1,565,281	1,470,558	1,447,791	1,963,486	3,864,641	4,151,160
27,138,286	29,103,489	15,015,192	13,809,478	13,027,148	3,084,860
<b>\$ 77,618,452</b>	<b>\$ 80,064,981</b>	<b>\$ 66,895,123</b>	<b>\$ 68,235,873</b>	<b>\$ 71,175,566</b>	<b>\$ 68,171,884</b>

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 7,087,937	\$ 8,109,201	\$ 8,641,537	\$ 8,688,384
Culture and recreation	8,171,516	7,802,379	7,859,340	8,511,283
Interest and fiscal charges	501,211	1,097,659	1,492,495	938,045
Unfunded pension obligation	1,602,708	-	-	-
Total governmental activities expenses	17,363,372	17,009,239	17,993,372	18,137,712
Business-type activities				
Stables	740,415	859,192	744,533	736,108
Palatine Hills Golf Course	1,276,187	1,414,018	1,374,366	1,296,558
Total business-type activities expenses	2,016,602	2,273,210	2,118,899	2,032,666
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 19,379,974</b>	<b>\$ 19,282,449</b>	<b>\$ 20,112,271</b>	<b>\$ 20,170,378</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
Culture and recreation	\$ 5,738,404	\$ 5,492,537	\$ 6,708,699	\$ 6,506,634
Operating grants	5,290	1,364	1,716	1,492
Capital grants and donations				
Culture and recreation	-	-	-	1,500,000
Total governmental activities program revenues	5,743,694	5,493,901	6,710,415	8,008,126
Business-type activities				
Charges for services - Palatine Hills Golf Course	1,107,895	1,145,207	1,155,917	1,057,668
Charges for services - Stables	710,321	719,927	691,355	602,732
Total business-type activities program revenues	1,818,216	1,865,134	1,847,272	1,660,400
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 7,561,910</b>	<b>\$ 7,359,035</b>	<b>\$ 8,557,687</b>	<b>\$ 9,668,526</b>

	2012	2013	2014	2015	2016	2017
\$	8,609,852	\$ 8,762,685	\$ 7,820,413	\$ 6,658,485	\$ 7,498,688	\$ 9,500,848
	8,611,089	8,615,377	9,451,670	12,235,718	13,228,014	14,912,921
	929,016	822,594	761,354	369,888	497,446	896,438
	-	-	-	-	-	-
	18,149,957	18,200,656	18,033,437	19,264,091	21,224,148	25,310,207
	692,366	722,976	556,434	-	-	-
	1,369,552	1,339,726	1,111,248	-	-	-
	2,061,918	2,062,702	1,667,682	-	-	-
\$	20,211,875	\$ 20,263,358	\$ 19,701,119	\$ 19,264,091	\$ 21,224,148	\$ 25,310,207
\$	6,361,627	\$ 6,697,103	\$ 5,336,345	\$ 7,489,710	\$ 7,649,088	\$ 7,644,765
	4,359	5,210	13,446	-	-	-
	24,000	-	-	68,124	-	-
	6,389,986	6,702,313	5,349,791	7,557,834	7,649,088	7,644,765
	1,175,035	1,143,252	1,112,582	-	-	-
	764,953	649,788	639,607	-	-	-
	1,939,988	1,793,040	1,752,189	-	-	-
\$	8,329,974	\$ 8,495,353	\$ 7,101,980	\$ 7,557,834	\$ 7,649,088	\$ 7,644,765

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>NET REVENUE (EXPENSE)</b>				
Governmental activities	\$ (11,619,678)	\$ (11,515,338)	\$ (11,282,957)	\$ (10,129,586)
Business-type activities	(198,386)	(408,076)	(271,627)	(372,266)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (11,818,064)</b>	<b>\$ (11,923,414)</b>	<b>\$ (11,554,584)</b>	<b>\$ (10,501,852)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property	\$ 12,134,415	\$ 12,338,625	\$ 12,524,102	\$ 12,829,150
Replacement	177,149	149,449	161,140	141,998
Other	-	-	186,249	238,736
Intergovernmental - unrestricted	-	-	-	-
Investment income	535,224	530,597	166,384	75,269
Miscellaneous	809,001	896,518	820,931	1,068,427
Gain (loss) on disposal of capital assets	-	-	-	-
Transfers	79,000	79,000	79,010	79,000
Total governmental activities	13,734,789	13,994,189	13,937,816	14,432,580
Business-type activities				
Investment income	24,655	8,242	1,713	1,343
Miscellaneous	174,927	15,336	-	-
Transfers	(79,000)	(79,000)	(79,010)	(79,000)
Total business-type activities	120,582	(55,422)	(77,297)	(77,657)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 13,855,371</b>	<b>\$ 13,938,767</b>	<b>\$ 13,860,519</b>	<b>\$ 14,354,923</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 2,115,111	\$ 2,478,851	\$ 2,654,859	\$ 4,302,994
Business-type activities	(77,804)	(463,498)	(348,924)	(449,923)
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 2,037,307</b>	<b>\$ 2,015,353</b>	<b>\$ 2,305,935</b>	<b>\$ 3,853,071</b>

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
\$ (11,759,971)	\$ (11,498,343)	\$ (12,683,646)	\$ (11,706,257)	\$ (13,575,080)	\$ (17,665,442)
(121,930)	(269,662)	84,507	-	-	-
\$ (11,881,901)	\$ (11,768,005)	\$ (12,599,139)	\$ (11,706,257)	\$ (13,575,080)	\$ (17,665,442)
\$ 12,719,316	\$ 12,673,433	\$ 13,174,627	\$ 13,472,658	\$ 13,782,432	\$ 14,153,383
142,259	157,706	162,340	153,147	153,339	198,571
219,165	130,313	-	-	-	-
-	-	-	-	48,871	52,100
49,220	54,438	(218,258)	68,355	158,852	230,015
822,445	713,190	(565,270)	1,308,644	969,899	331,412
-	-	-	-	-	#REF!
79,000	84,446	(277,048)	1,210,034	-	-
14,031,405	13,813,526	12,405,115	16,212,838	15,113,393	#REF!
865	263	382	-	-	-
-	-	17,616	-	-	-
(79,000)	(84,446)	318,280	(1,210,034)	-	-
(78,135)	(84,183)	336,278	(1,210,034)	-	-
\$ 13,953,270	\$ 13,729,343	\$ 12,741,393	\$ 15,002,804	\$ 15,113,393	#REF!
\$ 2,271,434	\$ 2,315,183	\$ (278,531)	\$ 4,506,581	\$ 1,538,313	#REF!
(200,065)	(353,845)	420,785	(1,210,034)	-	-
\$ 2,071,369	\$ 1,961,338	\$ 142,254	\$ 3,296,547	\$ 1,538,313	#REF!

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GENERAL FUND</b>				
Unreserved	\$ 18,103,377	\$ 10,743,057	\$ 11,443,558	\$ -
Nonspendable				
Advances	-	-	-	-
Prepaid items	-	-	-	88,661
Restricted	-	-	-	-
Unassigned	-	-	-	10,978,567
<b>TOTAL GENERAL FUND</b>	<b>\$ 18,103,377</b>	<b>\$ 10,743,057</b>	<b>\$ 11,443,558</b>	<b>\$ 11,067,228</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Unreserved, reported in				
Recreation Fund	\$ 3,667,110	\$ 4,130,317	\$ 4,774,908	\$ -
Other Special Revenue Funds	1,350,927	1,350,304	1,292,522	-
Debt Service Fund	147,508	113,761	174,003	-
Capital Project Fund	94,418	87,425	75,991	-
Permanent Fund	175,721	175,721	175,721	-
Nonspendable				
Working cash	-	-	-	175,721
Inventory	-	-	-	-
Prepaid	-	-	-	-
Restricted				
Employee retirement	-	-	-	451,346
Audit	-	-	-	13,095
Museum	-	-	-	44,324
Special recreation	-	-	-	197,193
Debt service	-	-	-	197,851
Capital projects	-	-	-	-
Liability insurance	-	-	-	472,290
Assigned				
Recreation programs	-	-	-	5,508,684
Capital projects	-	-	-	64,099
Unassigned				
Special revenue	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 5,435,684</b>	<b>\$ 399,443</b>	<b>\$ 6,493,145</b>	<b>\$ 7,124,603</b>
<b>TOTAL ALL GOVERNMENTAL FUNDS</b>	<b>\$ 23,539,061</b>	<b>\$ 11,142,500</b>	<b>\$ 17,936,703</b>	<b>\$ 18,191,831</b>

Note: GASB Statement No. 54 was implemented as of the year ended December 31, 2011.

Data Source

Audited Financial Statements



2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	29,848	-	-	-
59,401	29,848	44,244	141,888	150,112	151,578
-	-	-	1,421,561	2,656,694	2,656,694
8,603,784	9,673,445	9,192,963	6,230,125	5,101,343	5,880,326
<u>\$ 8,663,185</u>	<u>\$ 9,703,293</u>	<u>\$ 9,267,055</u>	<u>\$ 7,793,574</u>	<u>\$ 7,908,149</u>	<u>\$ 8,688,598</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
175,721	175,721	175,721	-	-	-
-	-	-	-	6,117	6,030
-	-	-	4,321	-	20,717
470,996	477,877	516,143	-	-	-
14,189	13,918	13,919	-	-	-
44,857	41,363	35,785	11,797	35,990	35,990
151,242	173,541	265,261	309,347	379,259	665,777
226,994	230,391	207,795	220,781	792,698	792,699
-	-	-	-	-	-
449,536	411,930	408,888	-	-	-
5,826,138	6,505,603	7,328,638	4,011,220	4,719,787	6,456,295
64,220	64,319	62,318	5,637,160	4,575,341	8,307,846
-	-	(213,829)	-	-	-
<u>\$ 7,423,893</u>	<u>\$ 8,094,663</u>	<u>\$ 8,758,377</u>	<u>\$ 10,194,626</u>	<u>\$ 10,509,192</u>	<u>\$ 16,285,354</u>
<u>\$ 16,087,078</u>	<u>\$ 17,797,956</u>	<u>\$ 18,025,432</u>	<u>\$ 17,988,200</u>	<u>\$ 18,417,341</u>	<u>\$ 24,973,952</u>

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>REVENUES</b>				
Taxes	\$ 11,727,398	\$ 11,649,959	\$ 12,522,352	\$ 12,742,807
Charges for services	4,572,082	4,288,278	4,953,809	5,243,845
Intergovernmental	-	-	-	-
Investment income	522,607	529,712	166,061	75,169
Donations and grants	87,661	1,364	1,716	4,214
Miscellaneous	545,873	896,518	830,912	1,449,223
<b>Total revenues</b>	<b>17,455,621</b>	<b>17,365,831</b>	<b>18,474,850</b>	<b>19,515,258</b>
<b>EXPENDITURES</b>				
General government	7,525,357	7,799,028	7,855,438	8,156,214
Culture and recreation	4,974,548	5,099,467	5,529,241	6,042,612
Capital outlay	2,986,239	10,012,260	2,166,892	6,222,336
Debt service				
Principal	1,247,500	1,296,500	1,351,500	1,645,000
Interest	501,211	823,437	911,171	912,970
Bond issuance costs	181,758	-	-	-
<b>Total expenditures</b>	<b>17,416,613</b>	<b>25,030,692</b>	<b>17,814,242</b>	<b>22,979,132</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>39,008</b>	<b>(7,664,861)</b>	<b>660,608</b>	<b>(3,463,874)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	9,947,500	591,500	596,500	3,640,000
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow	-	-	-	-
Premium on bonds	180,757	-	-	-
Transfers in	1,121,591	1,026,525	996,760	934,525
Transfers (out)	(1,042,591)	(947,525)	(917,750)	(855,525)
Prior period adjustment	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>10,207,257</b>	<b>670,500</b>	<b>675,510</b>	<b>3,719,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 10,246,265</b>	<b>\$ (6,994,361)</b>	<b>\$ 1,336,118</b>	<b>\$ 255,126</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>11.29%</b>	<b>9.25%</b>	<b>14.55%</b>	<b>12.53%</b>

Data Source

Audited Financial Statements

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$ 12,787,747	\$ 12,936,055	\$ 13,349,747	\$ 13,625,805	\$ 13,935,771	\$ 14,351,954
4,891,805	5,482,631	5,336,345	7,489,710	7,649,088	7,644,765
-	-	142,170	278,249	48,871	52,100
49,163	31,441	59,074	68,355	158,852	230,015
9,803	18,766	17,398	439,091	167,891	16,718
914,868	835,862	894,852	1,054,990	945,552	465,145
18,653,386	19,304,755	19,799,586	22,956,200	22,906,025	22,760,697
8,402,736	7,959,871	7,530,986	6,365,098	6,621,142	7,267,025
5,737,524	5,915,404	7,269,344	10,451,643	10,884,555	10,200,668
4,786,777	1,906,834	2,534,086	3,057,789	3,159,482	5,746,216
1,432,000	1,487,000	1,522,000	2,146,000	1,315,000	1,320,000
885,207	824,502	785,270	452,302	491,902	672,431
72,450	3,200	2,100	180,339	4,803	179,689
21,316,694	18,096,811	19,643,786	22,653,171	22,476,884	25,386,029
(2,663,308)	1,207,944	155,800	303,029	429,141	(2,625,332)
387,000	437,000	437,000	-	-	8,820,000
3,835,000	-	-	12,736,000	-	-
(4,016,000)	-	-	(12,292,572)	-	-
255,053	-	-	482,911	-	-
913,525	1,060,096	1,037,501	8,000,000	1,000,000	361,943
(834,525)	(975,650)	(1,355,781)	(9,891,961)	(1,000,000)	-
-	-	1,430,466	-	-	-
540,053	521,446	1,549,186	(965,622)	-	9,181,943
\$ (2,123,255)	\$ 1,729,390	\$ 1,704,986	\$ (662,593)	\$ 429,141	\$ 6,556,611
12.24%	14.65%	13.31%	12.91%	9.16%	8.58%

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Farm Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Railroad Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Percent Of Assessed Value</b>
2007	\$ 1,896,068,401	\$ 107,890	\$ 595,310,420	\$ 220,408,553	\$ 788,782	\$ 2,712,684,046	\$ 0.4475	\$ 8,138,052,138	33.333%
2008	2,072,046,416	108,622	584,387,991	226,797,619	862,187	2,884,202,835	0.4185	8,652,608,505	33.333%
2009	2,260,933,129	67,771	525,467,515	201,592,110	1,038,059	2,989,098,584	0.4078	8,967,295,752	33.333%
2010	2,019,366,886	67,771	474,051,248	192,420,558	1,297,420	2,687,203,883	0.4675	8,061,611,649	33.333%
2011	1,860,974,321	68,957	399,931,069	172,471,167	1,378,528	2,434,824,042	0.5164	7,304,472,126	33.333%
2012	1,725,669,045	68,957	377,934,133	157,286,406	1,559,216	2,262,517,757	0.5733	6,787,553,271	33.333%
2013	1,464,854,826	67,771	348,365,837	143,412,993	1,925,753	1,958,627,180	0.6795	5,875,881,540	33.333%
2014	1,557,510,142	81,343	329,548,273	74,379,246	1,988,857	1,963,507,861	0.6960	5,890,523,583	33.333%
2015	1,532,184,548	59,646	324,973,700	70,249,308	2,410,632	1,929,877,834	0.7250	5,789,633,502	33.333%
2016	1,779,943,615	92,960	195,146,396	266,287,544	2,452,774	2,243,923,289	0.6480	6,731,769,867	33.333%

Note: Property in the District is reassessed every three years. Property is assessed at 33% of actual value. Total direct tax rate is the Cook County rate. 2017 not yet available.

Data Source

Office of the County Clerk

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

PROPERTY TAX ASSESSED VALUATIONS, RATES AND EXTENSIONS

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2016</b>		<b>2015</b>		<b>2014</b>		<b>2013</b>		<b>2012</b>	
	<b>Total</b>		<b>Total</b>		<b>Total</b>		<b>Total</b>		<b>Total</b>	
<b>ASSESSED VALUATIONS</b>	\$ 2,243,923,289		\$ 1,929,877,834		\$ 1,963,507,861		\$ 1,958,627,179		\$ 2,262,517,757	
<b>TAX EXTENSIONS</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>
General Fund	0.2600	\$ 5,663,795	0.2830	\$ 5,461,712	0.2624	\$ 5,201,239	0.3500	\$ 4,658,433	0.3068	\$ 6,941,404
Liability Insurance Fund	0.0219	476,681	0.0238	459,673	0.0221	437,750	0.0184	244,900	0.0113	255,664
Audit Fund	0.0010	22,432	0.0011	21,632	0.0010	20,600	0.0007	9,317	0.0006	13,575
Recreation Fund	0.1701	4,336,918	0.2167	4,182,176	0.2202	4,364,334	0.1314	1,748,909	0.1054	2,384,683
Museum Fund	0.0033	71,930	0.0036	69,364	0.0033	66,056	0.0055	73,204	0.0047	106,338
Special Recreation Fund	0.0346	796,995	0.0400	771,951	0.0290	575,712	0.0308	409,942	0.0244	551,050
Bond and Interest Fund	0.0950	2,019,502	0.0893	1,724,370	0.0961	1,905,717	0.0818	1,088,742	0.0686	1,551,962
Retirement Fund	0.0613	1,334,929	0.0667	1,287,299	0.0618	1,225,907	0.0609	810,567	0.0515	1,165,196
<b>TOTAL TAX EXTENSIONS</b>	0.6472	\$ 14,723,182	0.7242	\$ 13,978,177	0.6959	\$ 13,797,315	0.6795	\$ 13,309,809	0.5733	\$ 12,969,872
<b>COLLECTIONS</b>	\$ 14,239,332		\$ 13,864,481		\$ 13,584,404		\$ 13,036,338		\$ 12,914,388	
<b>PERCENT</b>	0%		99%		98%		98%		100%	
<b>Tax Levy Year</b>	<b>2011</b>		<b>2010</b>		<b>2009</b>		<b>2008</b>		<b>2007</b>	
	<b>Total</b>		<b>Total</b>		<b>Total</b>		<b>Total</b>		<b>Total</b>	
<b>ASSESSED VALUATIONS</b>	\$ 2,434,824,042		\$ 2,687,203,683		\$ 2,989,098,584		\$ 2,884,202,835		\$ 2,712,684,046	
<b>TAX EXTENSIONS</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>
General Fund	0.2705	\$ 6,586,199	0.2396	\$ 6,438,540	0.2091	\$ 6,250,205	0.2135	\$ 6,157,773	0.2145	\$ 5,818,707
Liability Insurance Fund	0.0105	255,656	0.0112	300,966	0.0100	298,909	0.0121	348,988	0.0123	333,660
Audit Fund	0.0006	14,608	0.0005	13,436	0.0006	17,934	0.0004	11,536	0.0004	10,850
Recreation Fund	0.0975	2,373,953	0.0887	2,383,549	0.0784	2,343,453	0.0810	2,336,204	0.0832	2,256,953
Museum Fund	0.0044	107,132	0.0039	104,800	0.0035	104,618	0.0036	103,831	0.0038	103,081
Special Recreation Fund	0.0216	524,899	0.0186	501,147	0.0158	472,049	0.0143	412,000	0.0148	401,291
Bond and Interest Fund	0.0638	1,553,172	0.0657	1,766,112	0.0575	1,719,826	0.0596	1,718,062	0.0416	1,129,601
Retirement Fund	0.0475	1,156,540	0.0393	1,056,070	0.0329	983,412	0.0340	980,628	0.0348	944,013
<b>TOTAL TAX EXTENSIONS</b>	0.5164	\$ 12,572,159	0.4675	\$ 12,564,620	0.4078	\$ 12,190,406	0.4185	\$ 12,069,022	0.4054	\$ 10,998,156
<b>COLLECTIONS</b>	\$ 12,460,414		\$ 12,388,326		\$ 11,872,112		\$ 11,351,621		\$ 10,545,461	
<b>PERCENT</b>	99%		99%		97%		94%		96%	

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(Per \$100 of assessed value)

Last Ten Levy Years

<b>Jurisdiction</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012*</b>	<b>2013*</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Park District	0.406	0.419	0.408	0.468	0.516	0.615	0.680	0.696	0.725	0.648
Cook County including Forest Preserve	0.499	0.466	0.443	0.474	0.520	0.594	0.629	0.637	0.655	0.596
Township	0.035	0.035	0.034	0.039	0.044	0.049	0.058	0.059	0.063	0.054
Palatine Road and Bridge Fund	0.064	0.063	0.061	0.100	0.079	0.082	0.092	0.090	0.092	0.079
Palatine TWP General Assistance	0.008	0.008	0.008	0.010	0.012	0.014	0.017	0.017	0.018	0.012
Metropolitan Water Reclamation District	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406
Library District	0.246	0.240	0.229	0.198	0.222	0.248	0.293	0.295	0.308	0.268
Schools (Districts #15, #211 and Harper College)	4.667	4.569	4.481	5.102	5.759	6.414	7.490	7.532	7.810	6.830
Village	0.950	0.914	0.882	1.022	1.121	1.200	1.390	1.368	1.406	1.212
All others	0.008	0.008	0.008	0.009	0.035	0.011	0.044	0.032	0.011	0.01
<b>TOTAL TAX RATES</b>	<b>7.146</b>	<b>6.974</b>	<b>6.815</b>	<b>7.666</b>	<b>8.628</b>	<b>9.597</b>	<b>11.110</b>	<b>11.156</b>	<b>11.514</b>	<b>10.115</b>

\* Most recent data available.

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Prior Year and Nine Years Ago

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation
Motorola	\$ 26,255,212	1	1.17%	\$ 17,046,527	1	0.74%
Weber Stephen Prod LLC	15,382,968	2	0.69%			
F & F Realty, Ltd.	14,776,813	3	0.66%	7,960,469	2	0.35%
Wal-Mart	14,295,910	4	0.64%			
Tree House Venture	10,917,813	5	0.49%			
First American Properties	10,811,294	6	0.48%			
Deer Grove Centre	10,561,078	7	0.47%			
Bourbon Square Apartments	10,411,847	8	0.46%			
Home Properties	10,075,863	9	0.45%			
Brookind Corp.	8,959,056	10	0.40%	6,096,347	5	0.27%
PFC Marquette Company				7,838,038	3	0.34%
Mid America Asset Management				6,481,359	4	0.28%
Scott B. Retzloff & Associates				6,038,368	6	0.26%
Wal Mart Prop Tax Dept.				5,503,769	7	0.24%
Mass Mutual Life Insurance				5,399,985	8	0.24%
Village Park Palatine				4,702,819	9	0.20%
Kensington Advisors				4,599,871	10	0.20%
	<u>\$ 132,447,854</u>		<u>5.90%</u>	<u>\$ 71,667,552</u>		<u>3.12%</u>

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

Data Source

Office of the County Clerk

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Amount	Amount	Percentage of Levy
2007	\$ 10,998,156	\$ 10,545,461	96.73%	\$ 169,574	\$ 10,715,035	97.43%	
2008	12,069,022	11,351,621	94.06%	554,683	11,906,304	98.65%	
2009	12,190,406	11,872,112	97.39%	202,282	12,074,394	99.05%	
2010	12,564,620	12,388,326	98.60%	130,747	12,519,073	99.64%	
2011	12,572,159	12,460,414	99.11%	36,901	12,497,315	99.40%	
2012	12,969,872	12,914,388	99.57%	3,704	12,918,092	99.60%	
2013	13,309,809	13,036,338	97.95%	259,424	13,295,762	99.89%	
2014	13,797,315	13,584,404	98.46%	191,542	13,775,946	99.85%	
2015	13,978,177	13,819,106	98.86%	-	13,819,106	98.86%	
2016	14,522,672	14,239,332	98.05%	-	14,239,332	98.05%	

Data Source

Office of the County Clerk



**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years

<b>Fiscal Year Ended</b>	<b>General Obligation Bonds</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income*</b>	<b>Per Capita*</b>
2008	\$ 20,495,000	\$ 20,495,000	0.84%	\$ 257.22
2009	19,790,000	19,790,000	0.81%	248.37
2010	19,035,000	19,035,000	1.34%	360.80
2011	21,030,000	21,030,000	1.22%	328.57
2012	19,885,000	19,885,000	0.67%	239.58
2013	18,835,000	18,835,000	0.63%	226.93
2014	17,959,163	17,750,000	0.60%	213.86
2015	17,488,833	17,488,833	0.57%	203.49
2016	16,134,534	16,134,534	0.54%	194.39
2017	23,949,508	23,949,508	0.75%	288.55

\* See the schedule of Demographic and Economic Information on page 64 for personal income and population data.

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property*</b>	<b>Per Capita</b>
2008	\$ 20,495,000	\$ 147,508	\$ 20,347,492	0.71%	\$ 255.37
2009	19,790,000	113,761	19,676,239	0.66%	246.94
2010	19,035,000	174,003	18,860,997	0.70%	335.48
2011	21,030,000	197,581	20,832,419	0.86%	317.38
2012	19,885,000	226,994	19,658,006	0.87%	236.84
2013	19,067,108	230,391	18,604,609	0.95%	224.15
2014	17,959,163	207,795	17,542,205	0.30%	211.35
2015	17,488,833	214,821	17,274,012	0.28%	200.91
2016	16,134,534	792,698	15,341,836	0.26%	184.46
2017	23,949,508	792,699	23,156,809	1.03%	279.00

\* See the schedule of Assessed Value and Actual Value of Taxable Property on page 55 for property value data.

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

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2017

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage of Debt Applicable to the District*</b>	<b>District Share of Debt</b>
Palatine Park District (1)	\$ 23,949,508	100.000%	\$ 23,949,508
Cook County	3,085,186,750	1.560%	48,128,913
Cook County Forest Preserve	101,200,000	1.560%	1,578,720
Village of Schaumburg	304,960,000	3.720%	11,344,512
Metropolitan Water Reclamation District	2,428,705,091	1.542%	37,450,633
City of Rolling Meadows	4,805,000	17.350%	833,668
Village of Palatine SSA #5	5,460,000	100.000%	5,460,000
The Village of Palatine	73,395,000	95.240%	69,901,398
School District #220	30,010,000	0.650%	195,065
School District #15	36,508,431	63.250%	23,091,583
Arlington Heights	57,465,000	0.770%	442,481
Hoffman Estates	103,330,000	4.870%	5,032,171
Inverness	4,400,000	17.810%	783,640
Community College District #512	126,895,000	12.810%	16,255,250
	<u>6,362,320,272</u>		<u>220,498,034</u>
	<u>\$ 6,386,269,780</u>		<u>\$ 244,447,542</u>

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

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

Data Sources

Cook County Clerk's Office, Lake County Clerk's Office or Local Government Entity

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Total net debt applicable to limit	\$ 13,495,000	\$ 13,015,000	\$ 12,510,000	\$ 11,880,000	\$ 11,560,000	\$ 11,001,000	\$ 9,895,000	\$ 9,375,000	\$ 8,495,000	\$ 16,425,000
<b>LEGAL DEBT MARGIN</b>	\$ 64,494,666	\$ 69,905,832	\$ 73,426,584	\$ 58,121,191	\$ 58,441,191	\$ 58,857,471	\$ 56,310,531	\$ 47,075,851	\$ 47,955,851	\$ 48,087,795
<b>TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT</b>	20.92%	18.62%	17.04%	20.44%	19.78%	18.69%	25.66%	19.91%	17.71%	34.16%

Legal Debt Margin Calculation for fiscal year 2017

Assessed Value	\$ 2,243,923,289
Legal debt margin	<u>2.875%</u>
LEGAL DEBT LIMIT	<u>64,512,795</u>
Debt applicable to limit	
Park Bond Series of 2012A	2,230,000
Park Bond Series of 2015B	1,250,000
Park Bond Series of 2015D	4,125,000
Park Bond Series of 2017	<u>8,820,000</u>
Total debt	<u>16,425,000</u>
<b>LEGAL DEBT MARGIN</b>	<u>\$ 48,087,795</u>

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2008	79,680	\$ 2,443,068,480	\$ 30,661	4.90%
2009	79,680	2,443,068,480	30,661	8.40%
2010	83,000	2,982,605,000	35,935	8.50%
2011	83,000	2,982,605,000	35,935	7.90%
2012	83,000	2,982,605,000	35,935	7.20%
2013	83,000	2,982,605,000	35,935	7.10%
2014	83,000	2,982,605,000	35,935	5.60%
2015	83,000	2,982,605,000	35,935	5.60%
2016	83,000	2,982,605,000	35,935	4.40%
2017	83,000	3,172,343,000	38,221	4.10%

Data Sources

U.S. Census Bureau, Illinois Department of Employment Security

**PALATINE PARK DISTRICT  
PALATINE , ILLINOIS**

**PRINCIPAL EMPLOYERS**

Last Year and Nine Years Ago

<b>Employer</b>	<b>2017</b>			<b>2008</b>		
	<b>Rank</b>	<b>Number of Employees</b>	<b>% of Total District Population</b>	<b>Rank</b>	<b>Number of Employees</b>	<b>% of Total District Population</b>
Northrop Grumman Corp.	1	1900	2.29%	NA		
Harper College	2	891	1.07%	1	816	1.02%
Arthur J Gallagher	3	825	0.99%			
Gallagher-Bassett Services	4	675	0.81%			
United Parcel Services	5	500	0.60%			
Kelso-Burnett Co.	6	500	0.60%			
Komatsu Forklift USA	7	400	0.48%			
Aurico Reports, LLC	7	350	0.42%			
Village of Palatine	7	300	0.36%			
Komatsu America Corp.	10	300	0.36%			
Allstate Insurance				2	750	0.94%
Little City Foundation				3	500	0.63%
DiMucci Construction Co.				4	350	0.44%
Schneider Electric				4	350	0.44%
Weber Stephen Products Co.				6	200	0.25%
The Intec Group				7	150	0.19%
Arlington Plating				7	150	0.19%
Brandt Industries				7	150	0.19%
Imperial Woodworking Co.				10	125	0.16%
Total Population			83,000			79,680

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

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<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2017</b>
<b>GENERAL GOVERNMENT</b>										
Administration	24	22	21	22	24	23	24	24	24	29
Parks	46	45	43	42	45	42	41	40	40	39
Recreation	108	109	118	120	121	114	118	124	124	129
Palatine Stables	13	13	11	12	11	10	10	10	10	10
Palatine Hills Golf Course	20	20	19	19	20	18	17	18	17	16
<b>TOTAL GENERAL GOVERNMENT</b>	<b>211</b>	<b>209</b>	<b>212</b>	<b>215</b>	<b>221</b>	<b>207</b>	<b>210</b>	<b>216</b>	<b>215</b>	<b>223</b>

Data Source

District finance office - Staff used a new method to record FTE by taking number of hours per area divided by 2,080.

**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

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<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Fitness Center Memberships*	655	1,402	1,465	1,319	1,280	1,185	1,186	1,203	1,476	1,218
Swimming Pool Visits	125,626	101,782	128,071	123,478	126,826	89,539	85,087	91,554	101,877	98,587
Pool Passes Sold	2,535	2,295	2,153	1,981	1,998	1,667	1,454	1,344	1,359	1,416
Golf Rounds Played	35,572	35,152	36,297	31,991	36,478	34,989	33,340	35,440	34,132	30,482
Camp Participants	1,616	1,648	1,716	1,699	1,763	1,690	1,627	1,576	3,243	3,263
Stables Lessons/Camp	638	564	541	397	391	446	442	481	661	752
Before and After School Care	437	430	408	409	402	411	512	665	962	635
Preschool Participants	196	186	169	158	181	232	214	137	139	140
Volunteers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	208	250	1,475
Background Checks Run	N/A	N/A	N/A	N/A	N/A	N/A	N/A	204	612	560

N/A - Not Applicable

\*First year of operations, not applicable in years prior.

Data Source

Various District departments



**PALATINE PARK DISTRICT  
PALATINE, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>PARKS AND FACILITIES</b>										
Parks/Natural Areas										
Number	53	53	53	53	54	54	54	54	55	55
Acres	729.65	729.75	729.75	731.36	743.15	743.78	743.78	743.78	734.20	735.20
Facilities										
Play equipment	29	29	29	29	29	29	29	29	29	29
Swimming facilities	4	4	4	3	3	3	3	3	3	3
Recreation centers	2	3	3	3	3	3	3	3	3	3
Outdoor skating	1	1	1	2	2	2	2	2	2	2
18 hole golf course	1	1	1	1	1	1	1	1	1	1
Football fields	4	4	4	4	4	4	4	4	4	4
Ball diamonds	24	24	24	24	24	24	24	24	24	24
Soccer fields	23	23	24	24	24	24	24	24	24	24
Outdoor tennis courts	16	16	16	16	16	16	14	14	14	14
Picnic areas	27	27	27	27	27	27	27	27	27	27
Walking, jogging and bike trails	1	1	1	1	1	1	1	1	1	1
Volleyball courts	3	3	3	3	3	3	3	3	3	3
Basketball courts	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	4 full/ 3 half	3 full/ 3 half	3 full/ 3 half
Shelters	20	20	21	21	21	24	24	24	24	24
Stables	1	1	1	1	1	1	1	1	1	1
Theatres	1	1	1	1	1	1	1	1	1	1
Amphitheaters	1	1	1	1	1	1	1	1	1	1
Pickle Ball courts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	4	4
18 hole disc golf course	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Fishing pier	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Skate park	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Dog park	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1

N/A - Not Applicable

Data Source

Parks Department