



**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



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ROLLING MEADOWS, ILLINOIS
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ROLLING MEADOWS, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners
Rolling Meadows Park District
Rolling Meadows, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Rolling Meadows Park District, Rolling Meadows, Illinois (the District), as of and for the year ended April 30, 2019, 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 basic 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 Rolling Meadows Park District, Rolling Meadows, Illinois as of April 30, 2019, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses for OPEB liabilities; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

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 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 as a whole.

The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
August 19, 2019

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

As management of the Rolling Meadows Park District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended April 30, 2019. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the District's financial statements.

Financial Highlights

- The assets and deferred outflows or resources of the District exceeded its liabilities and deferred inflows of resources at April 30, 2019 by \$25.965 million. Of this amount, \$3,420,893 represents unrestricted assets which may be used to meet the District's ongoing obligations to citizens and creditors.
- At the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$7,230,329, an increase of \$1,369,270 in comparison with the prior fiscal year.
- Property and replacement taxes collected were \$4,170,123 and \$77,348, an increase of \$105,131 in property taxes and a decrease of \$8,181 in replacement taxes.
- The District's financial status continues to be strong. Overall revenues for all funds this year were \$8,440,946. Expenditures were \$9,400,750, which includes \$1,247,687 for capital projects and \$1,114,260 for debt service.
- The District's outstanding long-term bonded debt is \$2,291,000, compared to \$1,100,000 last year, reflecting an increase of 108.27%. The increase reflects the issuance of bonds to fund capital improvements planned in the district over the next two years.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows or resources, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Governmental Activities reflect the District's basic services, including administration and culture and recreation. Property taxes and program fees finance the majority of these services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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

The District maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, the Recreation, the Debt Service and the Capital Projects Fund, these four are considered to be major funds. Information from the District's six other governmental funds are combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 10 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to budgetary information and the District's Illinois Municipal Retirement Fund, in funding its employee pension obligations. Non-major fund information can be found immediately following the required supplementary information.

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the government's financial position. The following table shows that, in the case of the Park District, assets/deferred outflows exceeded liabilities/deferred inflows by \$25,965,909, an increase of \$525,856.

	Net Position	
	2019	2018
Current and Other Assets	\$ 10,458,889	\$ 9,022,941
Capital Assets	22,463,609	22,130,082
Total Assets	32,922,498	31,153,023
Deferred Outflows	1,254,829	99,218
Current and Other Liabilities	2,195,282	2,206,532
Long-Term Debt Outstanding	3,595,403	425,904
Total Liabilities	5,790,685	2,632,436
Deferred Inflows	2,420,733	3,179,752
Net Assets		
Invested in Capital Assets, Net of Debt	21,236,136	21,030,085
Restricted	1,308,880	1,324,393
Unrestricted (Deficit)	3,420,893	3,085,575
Total Net Assets	25,965,909	25,440,053

- By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The net position of the District's governmental activities increased from \$25.440 million to \$25.965 million. This is a \$0.525 million dollar increase or 2.01%. Approximately, \$1.308 million, or 5.04 percent of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$3.420 million, or 13.17 percent, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position	
	2019	2018
Revenues		
Program Revenues		
Charges for Services	\$ 4,054,362	\$ 4,053,942
Operating Grants	-	8,721
General Revenues		
Capital Grants	-	304,410
Property Taxes	4,170,123	4,064,992
Replacement Taxes	77,348	85,529
Interest Income	100,530	46,457
Miscellaneous	38,583	50,231
Total Revenues	<u>8,440,946</u>	<u>8,614,282</u>
Expenses		
General Government	722,130	683,524
Culture and Recreation	7,004,917	6,715,607
Interest on Long-Term Debt	42,285	10,736
Total Expenses	<u>7,769,332</u>	<u>7,409,867</u>
Change in Net Position	<u>671,614</u>	<u>1,204,415</u>
Net Position - Beginning	<u>25,440,053</u>	<u>24,235,638</u>
Change in accounting principle	(145,758)	
Net Position - Beginning, Restated	<u>25,294,295</u>	
Net Position - Ending	<u>25,965,909</u>	<u>25,440,053</u>

Governmental Activities

Revenues:

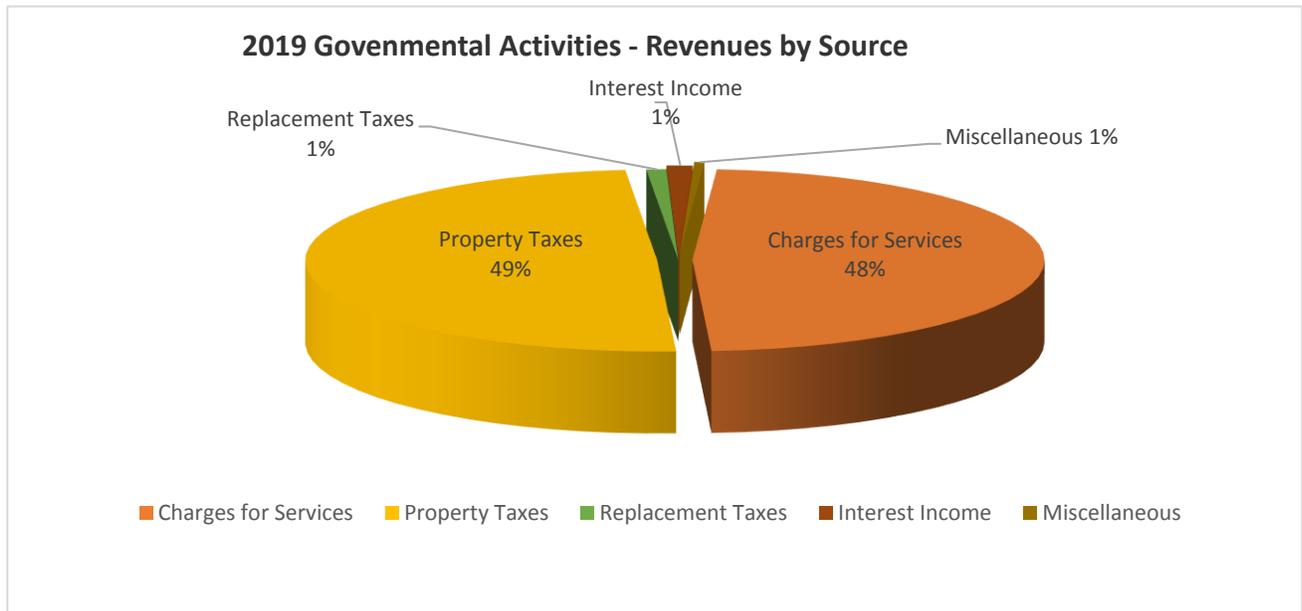
- Total revenues on the Statement of Activities were made up primarily of property taxes of \$4,170,123 as well as user charges for recreation programs and ice rink operations of \$4,054,362.
- Property tax revenues accounted for 49% of total District revenues and charges for recreation programs accounted for 48% of revenues for the fiscal year.
- Ice arena programs accounted for \$2.315 million or 57% of the general recreational revenues.
- Interest income, personal property replacement taxes, and miscellaneous revenue totaling \$216,461 accounted for the remaining 3% of revenues.
- Interest income increased from \$46,457 to \$100,530 due to market conditions and capital project investments.

**ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities - Continued

The following table graphically illustrates the major sources of revenue of the District. It depicts very clearly the reliance on property taxes to fund governmental activities. It also clearly identifies the percentage the District receives for charges relating to services.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

The General Fund, Recreation Fund, Debt Service Fund and Capital Projects Fund are the primary operating funds of the District.

- The General Fund's total fund balance totaled \$1,026,767, a decrease of \$12,307 over the prior fiscal year. All of this is unassigned and available for future operations.
- The Recreation Fund's fund balance as of April 30, 2019 was \$1,316,914, a decrease of \$22,697 from the prior year. This entire amount is assigned and available for future recreation operations.
- The Debt Service Fund's fund balance increased \$20,026 to \$750,799. All of which is restricted for future debt service cost.

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Governmental Funds - Continued

- The Capital Projects Fund has a total fund balance of \$3,555,746, an increase of \$1,419,477 from the prior year. Capital projects of approximately \$1,250,000 were funded during the past year. This increase is largely due to the sale of bonds to fund future capital projects in the amount of \$2,291,000 along with a transfer of surplus funds from both the General Fund and the Recreation Fund in the amount of \$300,000. This amount will be used to fund future capital projects. All of the fund balance is either restricted or assigned for capital projects to be completed in the next two fiscal years.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table reflects the condensed Budgetary Comparison Schedule

	<u>Adopted Budget</u>	<u>Actual</u>
General Fund:		
Revenues:		
Taxes	\$ 1,360,000	\$ 1,309,771
Charge for Services	19,500	33,287
Interest Income	42,000	69,061
Other	3,500	1,916
<hr/>		
Total	\$ 1,425,000	\$ 1,414,033
Expenditures:		
General Governmental Administration	\$ 630,500	\$ 589,001
Culture and Recreation Parks Administration	944,500	775,413
<hr/>		
Total	\$ 1,575,000	\$ 1,364,414
Excess (Deficiency) of Revenues over Expenses	\$ (150,000)	\$ 49,619
Other Financing Sources (Uses)		
Gain on sale of Asset	-	38,074
Transfers (out)	-	(100,000)
<hr/>		
Change in Fund Balance	\$ (150,000)	\$ (12,307)

**ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019**

RECREATION FUND BUDGETARY HIGHLIGHTS

The Recreation Fund reported revenues of \$396,315 greater than budget. Ice Arena revenues continue to be strong and accounted for \$245,907 of this favorable difference. Additionally, a transfer of \$200,000 was made to the Capital Projects Fund. With that, the Recreation Fund reported a slight increase in its Fund Balance by (\$22,697). The overall performance of the fund was better than budget. The Fund Balance stands at \$1,316,914, which is approximately three months of reserves, as established in the Districts Fund balance policy.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

	Capital Assets - Net of Depreciation	
	Governmental Activities	
	2019	2018
Land	\$ 5,788,400	\$ 5,788,400
Construction in Progress	91,638	73,881
Land Improvements	4,131,808	2,261,123
Buildings	10,015,057	11,375,752
Machinery and Equipment	2,145,121	2,398,818
Vehicles	291,585	232,108
	\$ 22,463,609	\$ 22,130,082

Debt Administration

	General Obligation Bonds Outstanding	
	Governmental Activities	
	2019	2018
2016 General Obligation Bonds	\$ -	\$ 1,100,000
2019 General Obligation Bonds	2,291,000	-
	\$ 2,291,000	\$ 1,100,000

- During the year, the District issued \$2,291,000 and retired \$1,100,000 in debt. The retired debt was on the District's General Obligation Bonds, Series 2016. The issuance of the new debt will be used for future capital improvement projects. The debt service payments are paid with property taxes.
- Standard and Poor's rating services rated the Park District's 2013 issue AA-, citing well managed financial operations and strong financial reserves.

ROLLING MEADOWS PARK DISTRICT, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2019

- The Government Finance Officers Association (GFOA) presented the District with the Distinguished Budget Award again for 2018.
- The District computation of legal debt margin is subject to a statutory debt limitation of 2.875% of equalized assessed valuation with referendum and .575% of equalized assessed valuation without referendum. The schedule is shown on page 24. Additional information on the District's long-term debt is found in Note 6 in the notes to the financial statements.

DECISIONS EXPECTED TO HAVE AN EFFECT ON FUTURE OPERATIONS

The 2018 Tax Levy (for taxes collected in 2019) was based on the Consumer Price Index (CPI) of 2.10%; and a decrease in the 2018 EAV (Equalized Assessed Valuation) of 1.99%. The townships the Park District resides in, (Elk Grove, Palatine and Schaumburg) were are being reassessed this year (2019), nevertheless, the District anticipates only slight growth in the tax base for the following year. The current year's budget reflects a slight increase, of 1.00% in property tax revenue.

Many trends and economic factors can affect the future operations of the Park District which are considered during budgeting and long range planning. To insure the financial health of the District, conservative revenue projections continue to be used. The District continues working on maintaining fund balance goals and the scheduling of projects to ensure maximum affordability within budget constraints.

The District will continue to have the ongoing challenges of planning for capital replacements and infrastructure improvements while maintaining and operating the District's existing facilities in the first class manner the residents deserve and expect.

CONTACTING THE PARK DISTRICTS FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances. Questions concerning this report or requests for additional financial information should be directed to the District Treasurer, Rolling Meadows Park District, 3000 Central Road, Rolling Meadows, Illinois 60008

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

STATEMENT OF NET POSITION

April 30, 2019

	Governmental Activities
ASSETS	
Cash and investments	\$ 8,204,756
Receivables (net, where applicable, allowances for uncollectibles)	
Property taxes	2,189,354
Accounts receivable	35,837
Prepaid expenses	28,942
Capital assets not being depreciated	5,880,038
Capital assets (net of accumulated depreciation)	16,583,571
Total assets	32,922,498
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	1,254,829
Total assets and deferred outflows of resources	34,177,327
LIABILITIES	
Accounts payable	204,018
Accrued payroll	85,894
Interest payable	13,769
Unearned recreation revenue	749,294
Noncurrent liabilities	
Due within one year	1,142,307
Due in more than one year	3,595,403
Total liabilities	5,790,685
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	2,189,354
Pension items - IMRF	227,099
OPEB items	4,280
Total deferred inflows of resources	2,420,733
Total liabilities and deferred inflows of resources	8,211,418
NET POSITION	
Net investment in capital assets	21,236,136
Restricted for	
Working cash	107,191
Liability insurance	104,883
Debt service	750,799
IMRF	72,662
Social Security and Medicare	28,498
Audit purposes	8,398
Paving and lighting	29,740
Special recreation	206,709
Unrestricted	3,420,893
TOTAL NET POSITION	\$ 25,965,909

See accompanying notes to financial statements.

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2019

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash and investments	\$ 1,067,588	\$ 2,274,568	\$ 750,799	\$ 3,553,338	\$ 558,463	\$ 8,204,756
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	645,079	463,658	601,907	-	478,710	2,189,354
Other	-	33,429	-	2,408	-	35,837
Prepaid items	-	6,920	-	-	22,022	28,942
Total assets	1,712,667	2,778,575	1,352,706	3,555,746	1,059,195	10,458,889
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
	<u>\$ 1,712,667</u>	<u>\$ 2,778,575</u>	<u>\$ 1,352,706</u>	<u>\$ 3,555,746</u>	<u>\$ 1,059,195</u>	<u>\$ 10,458,889</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 16,823	\$ 187,195	\$ -	\$ -	\$ -	\$ 204,018
Accrued payroll	23,998	61,514	-	-	382	85,894
Unearned revenue	-	749,294	-	-	-	749,294
Total liabilities	40,821	998,003	-	-	382	1,039,206
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	645,079	463,658	601,907	-	478,710	2,189,354
Total deferred inflows of resources	645,079	463,658	601,907	-	478,710	2,189,354
FUND BALANCES						
Nonspendable - prepaid items	-	6,920	-	-	22,022	28,942
Restricted - nonspendable - working cash	-	-	-	-	107,191	107,191
Restricted for insurance	-	-	-	-	104,883	104,883
Restricted for debt service	-	-	750,799	-	-	750,799
Restricted for IMRF	-	-	-	-	72,662	72,662
Restricted for Social Security and Medicare	-	-	-	-	28,498	28,498
Restricted for audit purposes	-	-	-	-	8,398	8,398
Restricted for paving and lighting	-	-	-	-	29,740	29,740
Restricted for special recreation	-	-	-	-	206,709	206,709
Restricted for capital projects	-	-	-	1,063,527	-	1,063,527
Unrestricted						
Assigned for capital projects	-	-	-	2,492,219	-	2,492,219
Assigned for recreation	-	1,309,994	-	-	-	1,309,994
Unassigned	1,026,767	-	-	-	-	1,026,767
Total fund balances	1,026,767	1,316,914	750,799	3,555,746	580,103	7,230,329
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
	<u>\$ 1,712,667</u>	<u>\$ 2,778,575</u>	<u>\$ 1,352,706</u>	<u>\$ 3,555,746</u>	<u>\$ 1,059,195</u>	<u>\$ 10,458,889</u>

See accompanying notes to financial statements.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS

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

April 30, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 7,230,329
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of the general government are not financial resources and, therefore, are not reported in the governmental funds	22,463,609
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(2,183,624)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,027,730
Total other postemployment benefits liability is shown as a liability on the statement of net position	(155,562)
Assumption changes for other postemployment benefits are recognized as deferred inflows of resources on the statement of net position	(4,280)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(2,291,000)
Accrued interest payable	(13,769)
Compensated absences payable	(107,524)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 25,965,909</u></u>

See accompanying notes to financial statements.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS

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

For the Year Ended April 30, 2019

	General	Recreation	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 1,309,771	\$ 888,570	\$ 1,134,286	\$ -	\$ 914,844	\$ 4,247,471
Charges for services	33,287	4,021,075	-	-	-	4,054,362
Investment income	69,062	-	-	31,468	-	100,530
Miscellaneous	1,913	36,670	-	-	-	38,583
Total revenues	1,414,033	4,946,315	1,134,286	31,468	914,844	8,440,946
EXPENDITURES						
Current						
General government						
Administration	589,001	-	-	-	-	589,001
Insurance	-	-	-	-	36,394	36,394
Employee benefits	-	-	-	-	113,758	113,758
Audit and professional services	-	-	-	-	20,614	20,614
Culture and recreation						
Parks administration	775,413	-	-	-	-	775,413
Insurance	-	-	-	-	125,356	125,356
Recreation and maintenance	-	1,693,508	-	-	-	1,693,508
General recreation programs	-	683,606	-	-	-	683,606
Sports Complex and West Meadows Ice arenas	-	1,871,910	-	-	-	1,871,910
Swimming pool programs	-	167,655	-	-	-	167,655
Employee benefits	-	-	-	-	391,834	391,834
Paving and lighting	-	-	-	-	24,923	24,923
Special recreation	-	-	-	-	178,120	178,120
CARE Program	-	366,711	-	-	-	366,711
Capital outlay	-	-	-	1,227,473	-	1,227,473
Debt service						
Principal retirement	-	-	1,100,000	-	-	1,100,000
Interest and fiscal charges	-	-	14,260	20,214	-	34,474
Total expenditures	1,364,414	4,783,390	1,114,260	1,247,687	890,999	9,400,750
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	49,619	162,925	20,026	(1,216,219)	23,845	(959,804)
OTHER FINANCING SOURCE (USES)						
Transfers in	-	14,378	-	344,666	-	359,044
Transfers (out)	(100,000)	(200,000)	-	-	(59,044)	(359,044)
Proceeds from sale of capital assets	38,074	-	-	-	-	38,074
Bonds issued, at par	-	-	-	2,291,000	-	2,291,000
Total other financing sources (uses)	(61,926)	(185,622)	-	2,635,666	(59,044)	2,329,074
NET CHANGE IN FUND BALANCES	(12,307)	(22,697)	20,026	1,419,447	(35,199)	1,369,270
FUND BALANCES, MAY 1	1,039,074	1,339,611	730,773	2,136,299	615,302	5,861,059
FUND BALANCES, APRIL 30	\$ 1,026,767	\$ 1,316,914	\$ 750,799	\$ 3,555,746	\$ 580,103	\$ 7,230,329

See accompanying notes to financial statements.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS

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

For the Year Ended April 30, 2019

NET CHANGES IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 1,369,270
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities	1,097,890
The repayment of the principal portion 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	
General obligation bonds	1,100,000
The issuance of long-term debt is reported as another financing source in the governmental funds but as an increase of principal outstanding in the statement of activities	
Bonds issued, at par	(2,291,000)
Certain changes in long-term debt are reported as (increases) decreases in interest expense on the statement of activities	
Change in accrued interest	(7,811)
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(713,165)
Loss on disposal of capital assets	(51,198)
The change in compensated absences payable is shown as an expense on the statement of activities	(3,142)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(1,836,006)
The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	2,020,860
The change in the total other postemployment benefits liability is reported only in the statement of activities	(9,804)
The change in deferred outflows of resources for other postemployment benefits liability is reported only in the statement of activities	(4,280)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 671,614</u>

See accompanying notes to financial statements.

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rolling Meadows Park District, Rolling Meadows, 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 has adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity*, under which the financial statements include all organizations, activities, functions and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the District's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. The Rolling Meadows Parks Foundation, while a potential component unit, is not significant to the District and, therefore, has been excluded from its reporting entity.

The accompanying basic financial statements present the District only since the District does not have component units. The District has a separately elected board, the power to levy taxes, the authorization to expend funds, the responsibility to designate management and the ability to prepare and modify the annual budget and issue debt. Therefore, the District is not included as a component unit of any other entity.

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 government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. All funds are classified as governmental.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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 funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). Permanent funds are used to account for resources when the interest of the corpus (principal) can be used by the District. The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District does not have any business-type activities.

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 activities of the District. The effect of material interfund activity has been eliminated from these statements except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 standard revenues 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.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. It is used to account for and report all financial resources except those accounted for in another fund.

The Recreation Fund accounts for and report the operation of the District's recreation activities and is financed by a specific restricted annual property tax levy to the extent user charges are not sufficient.

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest on the District's general obligation bonds.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Capital Projects Fund accounts for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period, usually 60 days. The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, licenses, interest revenue and charges for services.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

e. Cash and Investments

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 and all investments of the pension trust funds 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.

f. Interfund Receivables/Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

g. Inventories

Inventories, if any, are valued at cost. Cost has been determined using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Prepaid Items/Expenses

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

i. Deferred Outflows/Inflows of Resources

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

j. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded 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. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	10-50
Buildings and other improvements	10-50
Machinery and equipment	3-10
Construction	10-50
Licensed vehicles	20

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Compensated Absences

Vested or accumulated sick leave and compensatory time off that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested and accumulated sick leave and compensatory time off of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

l. 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. Bond premiums and discounts, as well as unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year of issuances.

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

m. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Commissioners, which is considered the District's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board of Commissioners. Assigned fund balance represents amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Executive Director by the Board of Commissioners. Any residual fund balance of the General Fund is reported as unassigned. Additionally, any deficit balances in any other governmental funds are also shown as unassigned.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balances/Net Position (Continued)

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

The District has established fund balance reserve policies in its General Fund. The General Fund targets a minimum of 25% and no more than 50% of annual budgeted expenditures as unassigned fund balance. The District has also established fund balance targets of 25% to 50% of restricted fund balance in the special revenue funds including the Recreation Fund, IMRF/Social Security Fund, Liability Insurance Fund, Audit Fund and Paving and Lighting Fund.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. None of the net positions are restricted as a result of enabling legislation adopted by the District. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

n. Accounting Estimates

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

2. DEPOSITS AND INVESTMENTS

The District's investment policy authorizes the District to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The District's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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 are, in order of priority, safety of principal, liquidity and rate of return.

The District maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the District's funds.

a. 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, at 110% of the deposits secured, for all bank balances in excess of federal depository insurance, with the collateral held by an independent third party in the District's name.

b. Investments

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools.

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.

Concentration of credit risk is the risk that the District has a high percentage of their investments invested in one type of investment. The District's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

The District categorizes the fair value measurements within the fair value hierarchy established by GAAP. 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. The District had no investments valued at fair value as of April 30, 2019.

3. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 5,788,400	\$ -	\$ -	\$ 5,788,400
Construction in progress	73,881	603,350	585,593	91,638
Total capital assets not being depreciated	<u>5,862,281</u>	<u>603,350</u>	<u>585,593</u>	<u>5,880,038</u>

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES (Continued)				
Capital assets being depreciated				
Land improvements	\$ 6,605,486	\$ 706,429	\$ 49,415	\$ 7,262,500
Construction	17,492,644	182,258	-	17,674,902
Machinery and equipment	3,274,339	92,585	76,734	3,290,190
Licensed vehicles	465,031	98,861	73,295	490,597
Total capital assets being depreciated	<u>27,837,500</u>	<u>1,080,133</u>	<u>199,444</u>	<u>28,718,189</u>
Less accumulated depreciation for				
Land improvements	3,001,572	161,002	31,882	3,130,692
Construction	7,231,445	428,400	-	7,659,845
Machinery and equipment	1,103,759	102,397	61,087	1,145,069
Licensed vehicles	232,923	21,366	55,277	199,012
Total accumulated depreciation	<u>11,569,699</u>	<u>713,165</u>	<u>148,246</u>	<u>12,134,618</u>
Total capital assets being depreciated, net	<u>16,267,801</u>	<u>366,968</u>	<u>51,198</u>	<u>16,583,571</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 22,130,082</u>	<u>\$ 970,318</u>	<u>\$ 636,791</u>	<u>\$ 22,463,609</u>

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

GOVERNMENTAL ACTIVITIES	
Recreation	<u>\$ 713,165</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 713,165</u>

4. PROPERTY TAXES

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes collected are recorded as revenue, which is the year intended to finance.

The County Assessor is responsible for assessment of all taxable real property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of Cook County is reassessed each year on a repeating triennial schedule established by the County Assessor.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. PROPERTY TAXES (Continued)

The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in Cook County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill and is one-half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December of the levy year. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

The 2018 property tax levy is recorded as a receivable. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, is recognized as revenue. Such time thereafter does not exceed 60 days. Net taxes receivable, less the amount expected to be collected during a period not exceeding 60 days after the end of the fiscal year, are reflected as unavailable/deferred revenue.

The 2019 tax levy, which attached as an enforceable lien on property as of January 1, 2019, has not been recorded as a receivable as of April 30, 2019 as the tax has not yet been levied by the District and will not be levied until December 2019, and therefore, the levy is not measurable at April 30, 2019.

5. 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.

Park District Risk Management Agency

The District participates in Park District Risk Management Agency (PDRMA). PDRMA is a public entity risk pool whose members are Illinois governments. PDRMA manages and funds first party property losses, third party liability claims, boiler and machinery claims, workers' compensation claims and public officials' liability claims of its members. The District's payments to PDRMA are displayed on the financial statements as expenditures in the Tort Immunity Fund.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

Park District Risk Management Agency (Continued)

Each member assumes the first \$1,000 of property claims each occurrence and has self-insurance retentions at various amounts.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer.

The District does not exercise any control over the activities of PDRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's expenditures as defined in the by-laws of PDRMA, assessment factors based on past member experience and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure that adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

At December 31, 2018, the total net position of PDRMA was \$43,818,350. For the year ended December 31, 2018, the net income of PDRMA was \$244,028. The District's share of the overall equity is 1.195% or \$578,593. The District made \$132,325 of payments to PDRMA during the year ended April 30, 2019.

In the event of a liability loss exceeding \$21,500,000 per occurrence, self-insured and reinsurance limit, the members would be responsible for funding the excess amount.

PDRMA Health Program

The District participates in the PDRMA Health Program, a health insurance pool of park districts, special recreation associations and public service organizations through which medical, vision, dental, life and prescription drug card coverage are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. The District's payments to the PDRMA Health Program are displayed on the financial statements as expenditures in the governmental funds.

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

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

PDRMA Health Program (Continued)

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

At December 31, 2018, the most recent information available, the total net position of the PDRMA Health Program was \$18,187,802. For the year ended December 31, 2018, the net income of the PDRMA Health Program was \$2,282,393.

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

6. LONG-TERM DEBT

a. General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Governmental Activities

General obligation bonds 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 May 1	Additions	Reductions	Balances April 30	Current Portion
2016 General Obligation Limited Tax Park Bonds \$2,185,000 due in annual installments of \$541,000 to \$1,100,000 through December 1, 2018; interest at 1.30% funded by Debt Service Fund property tax levies.	Debt Service	\$ 1,100,000	\$ -	\$ 1,100,000	\$ -	\$ -

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Governmental Activities (Continued)

Issue	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
2019 General Obligation Limited Tax Park Bonds \$2,291,000 due in annual installments of \$1,113,000 to \$1,178,000 through November 1, 2020; interest at 2.55% to 2.60% funded by Debt Service Fund property tax levies.	Debt Service	\$ -	\$ 2,291,000	\$ -	\$ 2,291,000	\$ 1,113,000
TOTAL		\$ 1,100,000	\$ 2,291,000	\$ 1,100,000	\$ 2,291,000	\$ 1,113,000

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	General Obligation Bonds Governmental Activities	
	Principal	Interest
2020	\$ 1,113,000	\$ 43,274
2021	1,178,000	30,628
TOTAL	\$ 2,291,000	\$ 73,902

c. Changes in Long-Term Liabilities

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

	Balances May 1, Restated	Additions	Reductions	Balances April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 1,100,000	\$ 2,291,000	\$ 1,100,000	\$ 2,291,000	\$ 1,113,000
Net pension liability - IMRF*	347,618	1,836,006	-	2,183,624	-
Compensated absences*	104,382	29,238	26,096	107,524	26,881
OPEB liability*	145,758	9,804	-	155,562	2,426
TOTAL	\$ 1,697,758	\$ 4,166,048	\$ 1,126,096	\$ 4,737,710	\$ 1,142,307

*Compensated absences, net pension liabilities and OPEB liabilities are funded by the General and Recreation Funds.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Legal Debt Margin

2019 equalized assessed valuation	<u>\$ 642,602,146</u>
Debt limitation - 2.875% of assessed valuation	<u>\$ 18,474,812</u>
Amount of debt applicable to debt limit	
2019 General Obligation Bonds	<u>2,291,000</u>
Total debt	<u>2,291,000</u>
LEGAL DEBT MARGIN	<u>\$ 16,183,812</u>

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 district is authorized to issue the bonds or notes of such 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."

7. COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

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.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. JOINTLY GOVERNED ORGANIZATION

Northwest Special Recreation Association

The District is a member of the Northwest Special Recreation Association (the Association), 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.

The Association’s Board of Directors consists of one representative from each participating park district. The Board of Directors is the governing body of the Association and is responsible for establishing all major policies and changes therein and for approving all budgets, capital outlay, programming and master plans. This cooperative association, however, is considered a separate reporting entity by the District’s administration. The District does not have financial accountability for the Association, and accordingly, the Association has not been included in the accompanying general purpose financial statements. To obtain the Association’s financial statements, contact their administrative offices at 3000 W. Central Road, Suite 205, Rolling Meadows, Illinois 60008.

9. GOLDEN YEARS COUNCIL

The Golden Years Council (the Council), a nonprofit, independent organization utilizes the Senior Citizens Center of the District. The District provides certain services and resources to the Council at no cost, including utilities, custodial service, insurance on certain equipment and the salary of a full-time recreation programmer. Special program activity costs provided by the District are covered by program fees collected from Senior Citizens Center program participants. The Council maintains separate accounting records for certain funds received and disbursed, which are not included in the District’s financial statements.

10. INTERFUND SCHEDULE

Interfund Transfers

Individual interfund transfers are as follows:

	Transfers In	Transfers Out
General	\$ -	\$ 100,000
Recreation	14,378	200,000
Capital Projects	344,666	-
Special Recreation	-	59,044
	<hr/>	<hr/>
TOTAL	\$ 359,044	\$ 359,044

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. INTERFUND SCHEDULE (Continued)

Interfund Transfers (Continued)

The purpose of the interfund transfers are as follows:

- The \$59,044 transferred from the Special Recreation Fund to the Recreation Fund (\$14,378) and Capital Projects Fund (\$44,666) was for certain allowable accessibility costs. The amount will not be repaid.
- The \$100,000 transferred from the General Fund and the \$200,000 transferred from the Recreation Fund to the Capital Projects Fund was to transfer surplus funds in accordance with the District's fund balance policy. The amounts will not be repaid.

11. 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.

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.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

Inactive employees or their beneficiaries	
currently receiving benefits	55
Inactive employees entitled to but not yet receiving benefits	57
Active employees	50
 TOTAL	 162

Benefits Provided

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

Contributions

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 rate for the calendar year ended December 31, 2018 and 2019 was 12.42% and 9.83% respectively, of covered payroll.

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2018 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.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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-2017 (base year 2015). The 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the 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 fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 13,931,128	\$ 13,583,510	\$ 347,618
Changes for the period			
Service cost	217,179	-	217,179
Interest	1,029,074	-	1,029,074
Difference between expected and actual experience	71,816	-	71,816
Changes in assumptions	431,469	-	431,469
Employer contributions	-	293,896	(293,896)
Employee contributions	-	101,050	(101,050)
Net investment income	-	(745,039)	745,039
Benefit payments and refunds	(637,466)	(637,466)	-
Other (net transfer)	-	263,625	(263,625)
Net changes	1,112,072	(723,934)	1,836,006
BALANCES AT DECEMBER 31, 2018	\$ 15,043,200	\$ 12,859,576	\$ 2,183,624

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

For the year ended April 30, 2019, the District recognized pension expense of \$93,247. At April 30, 2019, 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	\$ 47,859	\$ 65,147
Changes in assumption	287,536	161,952
Net difference between projected and actual earnings on pension plan investments	838,879	-
Employer contributions after the measurement date	80,555	-
TOTAL	\$ 1,254,829	\$ 227,099

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
(Continued)

\$80,555 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 ending April 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending</u> <u>April 30,</u>	
2020	\$ 253,212
2021	240,590
2022	100,455
2023	352,918
2024	<u>-</u>
TOTAL	<u>\$ 947,175</u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate of 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 4,142,596	\$ 2,183,624	\$ 573,811

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the District provides other postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the District's governmental activities.

b. Benefits Provided

The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under the District's retirement plan. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan, but can purchase a Medicare supplement plan from the District's insurance provider.

c. Membership

At September 30, 2018 (most recent valuation available), membership consisted of:

Inactive fund members or beneficiaries currently receiving benefits payments	-
Inactive fund members entitled to but not yet receiving benefit payments	-
Active fund members	<u>40</u>
 TOTAL	 <u><u>40</u></u>

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation performed as of September 30, 2018 (most recent valuation available) using the following actuarial methods and assumptions.

Actuarial valuation date	September 30, 2018
Actuarial cost method	Entry-age normal
Inflation	2.50%
Discount rate	4.18%
Salary increases	3.39% to 10.35%
Healthcare cost trend rates	7.00% to 9.00% in Fiscal 2019 based on type of plan, to an ultimate trend rate of 4.50%
Asset valuation method	N/A
Mortality rates	RP - 2014 Combined Annuitant Mortality Table for males and females

e. Discount Rate

The discount rate was based on the General Obligation Municipal Bond rate as of September 30, 2018.

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCE AT MAY 1, 2018	<u>\$ 145,758</u>
Changes for the period	
Service cost	11,315
Interest	5,673
Changes in assumptions	(4,758)
Benefit payments	<u>(2,426)</u>
Net changes	<u>9,804</u>
BALANCE AT APRIL 30, 2019	<u><u>\$ 155,562</u></u>

g. Rate Sensitivity

The following is a sensitive analysis of total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the District calculated using the discount rate of 4.18% as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.18%) or 1 percentage point higher (5.18%) than the current rate:

	1% Decrease (3.18%)	Current Discount Rate (4.18%)	1% Increase (5.18%)
	<hr/>		
Total OPEB liability	\$ 164,347	\$ 155,562	\$ 146,777

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the District calculated using the healthcare rate of 7% to 9% as well as what the District's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6% to 8%) or 1 percentage point higher (8% to 10%) than the current rate:

	1% Decrease (6% to 8%)	Current Healthcare Rate (7% to 9%)	1% Increase (8% to 10%)
Total OPEB liability	\$ 141,204	\$ 155,562	\$ 171,877

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

For the year ended April 30, 2019, the District recognized OPEB expense of \$14,084. At April 30, 2019, the District reported deferred inflows of resources related to OPEB from the following sources:

Changes in assumption	<u>\$ 4,280</u>
TOTAL	<u>\$ 4,280</u>

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

Fiscal Year Ending April 30,	
2020	\$ (478)
2021	(478)
2022	(478)
2023	(478)
2024	(478)
Thereafter	<u>(1,890)</u>
TOTAL	<u>\$ (4,280)</u>

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended April 30, 2019, the District implemented GASB Statement No. 75. With the implementation, the District is required to retroactively record the total postemployment benefit liability.

The beginning net position reported in the government-wide financial statements has been restated to reflect the new guidance as follows:

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	<u>\$ 25,440,053</u>
Total OPEB liability	<u>(145,758)</u>
Total restatement	<u>(145,758)</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 25,294,295</u>

REQUIRED SUPPLEMENTARY INFORMATION

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

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

For the Year Ended April 30, 2019

	Appropriations	Original and Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 1,275,000		\$ 1,232,423
Replacement taxes	85,000		77,348
Charges for services	19,500		33,287
Investment income	42,000		69,062
Miscellaneous	3,500		1,913
Total revenues	1,425,000		1,414,033
EXPENDITURES			
Current			
General government			
Administration	\$ 693,550	630,500	589,001
Culture and recreation			
Parks administration	1,038,950	944,500	775,413
Total expenditures	\$ 1,732,500	1,575,000	1,364,414
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(150,000)	49,619
OTHER FINANCING SOURCES (USES)			
Transfers (out)		-	(100,000)
Proceeds from sale of capital assets		-	38,074
Total other financing sources (uses)		-	(61,926)
NET CHANGE IN FUND BALANCE		<u>\$ (150,000)</u>	(12,307)
FUND BALANCE, MAY 1			<u>1,039,074</u>
FUND BALANCE, APRIL 30			<u>\$ 1,026,767</u>

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

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

For the Year Ended April 30, 2019

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes	\$	905,000	\$ 888,570
Charges for services			
Charges for recreation programs		1,089,500	1,184,966
Sports Complex revenue		657,500	712,356
West Meadows revenue		1,412,500	1,603,551
Swimming pool revenue		64,500	70,665
CARE Program revenue		330,000	395,277
Rental income		54,500	54,260
Miscellaneous		36,500	36,670
		4,550,000	4,946,315
Total revenues			
EXPENDITURES			
Current			
Culture and recreation			
Recreation and maintenance	\$	1,985,500	1,805,000
General recreation programs		803,000	730,000
Sports Complex and West Meadows Ice arenas		2,247,300	2,043,000
Swimming pool programs		206,800	188,000
CARE Program		372,900	339,000
		5,615,500	5,105,000
Total expenditures	\$	5,615,500	4,783,390
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
		(555,000)	162,925
OTHER FINANCING SOURCES (USES)			
Transfers in		15,000	14,378
Transfers (out)		-	(200,000)
		15,000	(185,622)
Total other financing sources (uses)			
NET CHANGE IN FUND BALANCE	\$	(540,000)	(22,697)
FUND BALANCE, MAY 1			1,339,611
FUND BALANCE, APRIL 30	\$		1,316,914

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Four Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019
Actuarially determined contribution	\$ 265,387	\$ 271,674	\$ 279,237	\$ 264,039
Contributions in relation to the actuarially determined contribution	<u>270,387</u>	<u>276,674</u>	<u>284,237</u>	<u>278,039</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ (14,000)</u>
Covered payroll	\$ 1,926,324	\$ 2,060,806	\$ 2,178,566	\$ 2,288,320
Contributions as a percentage of covered payroll	14.04%	13.43%	13.05%	12.15%

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 3.75% to 14.50% compounded annually and postretirement benefit increases of 3% 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.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

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

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018
TOTAL PENSION LIABILITY				
Service cost	\$ 203,430	\$ 210,076	\$ 224,920	\$ 217,179
Interest	938,294	986,348	1,025,478	1,029,074
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	64,265	(83,417)	(151,611)	71,816
Changes of assumptions	16,723	(34,140)	(418,660)	431,469
Benefit payments, including refunds of member contributions	(553,416)	(580,280)	(619,163)	(637,466)
Net change in total pension liability	669,296	498,587	60,964	1,112,072
Total pension liability - beginning	12,702,281	13,371,577	13,870,164	13,931,128
TOTAL PENSION LIABILITY - ENDING	\$ 13,371,577	\$ 13,870,164	\$ 13,931,128	\$ 15,043,200
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 272,934	\$ 267,849	\$ 281,277	\$ 293,896
Contributions - member	86,732	89,298	97,216	101,050
Net investment income	57,464	789,686	2,142,948	(745,039)
Benefit payments, including refunds of member contributions	(553,416)	(580,280)	(619,163)	(637,466)
Administrative expenses	(46,076)	69,143	(361,821)	263,625
Net change in plan fiduciary net position	(182,362)	635,696	1,540,457	(723,934)
Plan fiduciary net position - beginning	11,589,719	11,407,357	12,043,053	13,583,510
PLAN FIDUCIARY NET POSITION - ENDING	\$ 11,407,357	\$ 12,043,053	\$ 13,583,510	\$ 12,859,576
EMPLOYER'S NET PENSION LIABILITY	\$ 1,964,220	\$ 1,827,111	\$ 347,618	\$ 2,183,624
Plan fiduciary net position as a percentage of the total pension liability	85.30%	86.80%	97.50%	85.50%
Covered payroll	\$ 1,926,324	\$ 1,980,780	\$ 2,160,354	\$ 2,245,539
Employer's net pension liability as a percentage of covered payroll	102.00%	92.20%	16.10%	97.20%

The discount rate assumption was changed from 7.50% to 7.25% in 2018.

The price inflation assumption was changed from 2.75% to 2.50%, and the salary increase assumption was changed from 3.75% - 14.50% to 3.39% - 14.25% in 2017.

The discount rate assumption was changed from 7.48% to 7.50% in 2016.

The retirement age and mortality assumptions were changed in 2015.

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.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTRETIREMENT BENEFIT PLAN

Last Fiscal Year

MEASUREMENT DATE SEPTEMBER 30,	2018
TOTAL OPEB LIABILITY	
Service cost	\$ 11,315
Interest	5,673
Changes of assumptions	(4,758)
Other changes	(2,426)
Net change in total OPEB liability	9,804
Total OPEB liability - beginning	145,758
TOTAL OPEB LIABILITY - ENDING	\$ 155,562
Covered payroll	\$ 2,045,000
Employer's OPEB liability as a percentage of covered payroll	7.61%

Changes in assumptions for 2019 related to change in discount rate used from 3.64% to 4.18%.

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.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2019

BUDGETS AND BUDGETARY ACCOUNTING

- a. The Board of Commissioners follows these procedures in establishing the budgetary data reflected in the required supplementary information.
 - 1) The Executive Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
 - 2) Public hearings on the budget are conducted.
 - 3) Prior to August 1 of the following fiscal year, the budget is legally enacted through the passage of a Budget and Appropriations Ordinance.
 - 4) The Board of Commissioners may amend the Budget and Appropriation Ordinance in the same manner as its original enactment.
 - 5) The legal level of budgetary control is the fund level.
 - 6) All appropriations lapse at the year end. Expenditures legally may not exceed the total of appropriations and beginning fund balance at the fund level.

- b. Annual budgets are adopted for the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund, with the exception of the Working Cash Fund. The District adopts budgets consistent with accounting principles generally accepted in the United States of America. None of the District's funds had an excess of actual expenditures over budgeted appropriations.

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

MAJOR GOVERNMENTAL FUNDS

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

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

For the Year Ended April 30, 2019

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes		\$ 1,170,000	\$ 1,134,286
EXPENDITURES			
Debt service			
Principal retirement	\$ 1,210,000	1,100,000	1,100,000
Interest and fees	15,950	14,500	14,260
Total expenditures	\$ 1,225,950	1,114,500	1,114,260
NET CHANGE IN FUND BALANCE		\$ 55,500	20,026
FUND BALANCE, MAY 1			730,773
FUND BALANCE, APRIL 30			\$ 750,799

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended April 30, 2019

	Appropriations	Original and Final Budget	Actual
REVENUES			
Investment income		\$ -	\$ 31,468
EXPENDITURES			
Capital outlay	\$ 1,732,500	1,575,000	1,227,473
Interest and fiscal charges	-	-	20,214
Total expenditures	\$ 1,732,500	1,575,000	1,247,687
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(1,575,000)	(1,216,219)
OTHER FINANCING SOURCES (USES)			
Transfers in		-	344,666
Bonds issued, at par		-	2,291,000
Total other financing sources (uses)		-	2,635,666
NET CHANGE IN FUND BALANCE		\$ (1,575,000)	1,419,447
FUND BALANCE, MAY 1			2,136,299
FUND BALANCE, APRIL 30			\$ 3,555,746

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2019

	Special Revenue					Permanent	Total
	Audit	Insurance	Paving and Lighting	IMRF/ FICA	Special Recreation	Working Cash	Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
ASSETS							
Cash	\$ 8,398	\$ 105,265	\$ 29,740	\$ 101,160	\$ 206,709	\$ 107,191	\$ 558,463
Receivables							
Property taxes	10,583	75,595	15,336	254,504	122,692	-	478,710
Prepaid items	-	-	-	-	22,022	-	22,022
Total assets	18,981	180,860	45,076	355,664	351,423	107,191	1,059,195
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 18,981	\$ 180,860	\$ 45,076	\$ 355,664	\$ 351,423	\$ 107,191	\$ 1,059,195
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accrued payroll	\$ -	\$ 382	\$ -	\$ -	\$ -	\$ -	\$ 382
Total liabilities	-	382	-	-	-	-	382
DEFERRED INFLOWS OF RESOURCES							
Unavailable property tax revenue	10,583	75,595	15,336	254,504	122,692	-	478,710
Total deferred inflows of resources	10,583	75,595	15,336	254,504	122,692	-	478,710
FUND BALANCES							
Nonspendable - prepaid items	-	-	-	-	22,022	-	22,022
Restricted - nonspendable - working cash	-	-	-	-	-	107,191	107,191
Restricted for audit purposes	8,398	-	-	-	-	-	8,398
Restricted for insurance	-	104,883	-	-	-	-	104,883
Restricted for paving and lighting	-	-	29,740	-	-	-	29,740
Restricted for IMRF	-	-	-	72,662	-	-	72,662
Restricted for Social Security and Medicare	-	-	-	28,498	-	-	28,498
Restricted for special recreation	-	-	-	-	206,709	-	206,709
Total fund balances	8,398	104,883	29,740	101,160	228,731	107,191	580,103
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 18,981	\$ 180,860	\$ 45,076	\$ 355,664	\$ 351,423	\$ 107,191	\$ 1,059,195

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

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

For the Year Ended April 30, 2019

	Special Revenue				Permanent Working Cash	Total Nonmajor Governmental Funds	
	Audit	Insurance	Paving and Lighting	IMRF/ FICA			Special Recreation
REVENUES							
Taxes	\$ 20,044	\$ 139,267	\$ 29,782	\$ 487,494	\$ 238,257	\$ -	\$ 914,844
EXPENDITURES							
Current							
General government							
Insurance	-	36,394	-	-	-	-	36,394
Audit and professional services	20,614	-	-	-	-	-	20,614
Employee benefits	-	-	-	113,758	-	-	113,758
Culture and recreation							
Insurance	-	125,356	-	-	-	-	125,356
Paving and lighting	-	-	24,923	-	-	-	24,923
Employee benefits	-	-	-	391,834	-	-	391,834
Special recreation programs	-	-	-	-	178,120	-	178,120
Total expenditures	20,614	161,750	24,923	505,592	178,120	-	890,999
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(570)	(22,483)	4,859	(18,098)	60,137	-	23,845
OTHER FINANCING SOURCES (USES)							
Transfer (out)	-	-	-	-	(59,044)	-	(59,044)
NET CHANGE IN FUND BALANCES	(570)	(22,483)	4,859	(18,098)	1,093	-	(35,199)
FUND BALANCES, MAY 1	8,968	127,366	24,881	119,258	227,638	107,191	615,302
FUND BALANCES, APRIL 30	\$ 8,398	\$ 104,883	\$ 29,740	\$ 101,160	\$ 228,731	\$ 107,191	\$ 580,103

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

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

For the Year Ended April 30, 2019

	<u>Appropriations</u>	<u>Original and Final Budget</u>	<u>Actual</u>
REVENUES			
Property taxes		\$ 20,000	\$ 20,044
EXPENDITURES			
Current			
General government			
Audit and professional services	\$ 21,450	19,500	20,614
NET CHANGE IN FUND BALANCE		\$ 500	(570)
FUND BALANCE, MAY 1			8,968
FUND BALANCE, APRIL 30			\$ 8,398

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

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

For the Year Ended April 30, 2019

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes		\$ 135,000	\$ 139,267
EXPENDITURES			
Current			
General government			
Insurance	\$ 48,263	43,875	36,394
Culture and recreation			
Insurance	166,238	151,125	125,356
Total expenditures	\$ 214,501	195,000	161,750
NET CHANGE IN FUND BALANCE		\$ (60,000)	(22,483)
FUND BALANCE, MAY 1			127,366
FUND BALANCE, APRIL 30			\$ 104,883

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PAVING AND LIGHTING FUND

For the Year Ended April 30, 2019

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes		\$ 32,000	\$ 29,782
EXPENDITURES			
Current			
Culture and recreation			
Paving and lighting	\$ 33,000	30,000	24,923
NET CHANGE IN FUND BALANCE		\$ 2,000	4,859
FUND BALANCE, MAY 1			24,881
FUND BALANCE, APRIL 30			\$ 29,740

(See independent auditor's report.)

**ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ILLINOIS MUNICIPAL RETIREMENT/FICA FUND

For the Year Ended April 30, 2019

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes			
IMRF	\$ 275,000		\$ 267,611
FICA and Medicare		225,000	219,883
		500,000	487,494
Total revenues			
EXPENDITURES			
Current			
General government			
Employee benefits			
IMRF	\$ 70,538	64,125	62,573
FICA and Medicare	55,193	50,175	51,185
Culture and recreation			
Employee benefits			
IMRF	242,963	220,875	215,528
FICA and Medicare	190,108	172,825	176,306
		508,000	505,592
Total expenditures	\$ 558,802		505,592
NET CHANGE IN FUND BALANCE		\$ (8,000)	(18,098)
FUND BALANCE, MAY 1			119,258
FUND BALANCE, APRIL 30			\$ 101,160

(See independent auditor's report.)

ROLLING MEADOWS PARK DISTRICT
ROLLING MEADOWS, ILLINOIS

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

For the Year Ended April 30, 2019

	Appropriations	Original and Final Budget	Actual
REVENUES			
Property taxes		\$ 263,000	\$ 238,257
EXPENDITURES			
Current			
Culture and recreation			
Special recreation programs	\$ 220,000	200,000	178,120
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
		63,000	60,137
OTHER FINANCING SOURCE (USES)			
Transfers (out)		(75,000)	(59,044)
NET CHANGE IN FUND BALANCE		\$ (12,000)	1,093
FUND BALANCE, MAY 1			227,638
FUND BALANCE, APRIL 30			\$ 228,731

(See independent auditor's report.)