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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR JANUARY 1–DECEMBER 31, 2016

PREPARED BY: FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER



**ROCKFORD PARK DISTRICT**

*Rockford, Illinois*

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2016

Prepared by:  
Penny Christians, Chief Financial Officer

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**ROCKFORD, ILLINOIS**  
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**ROCKFORD, ILLINOIS**  
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**ROCKFORD, ILLINOIS**  
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**ROCKFORD, ILLINOIS**  
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## **INTRODUCTORY SECTION**

**Officials and Officers**  
**2016**  
**Board of Commissioners**

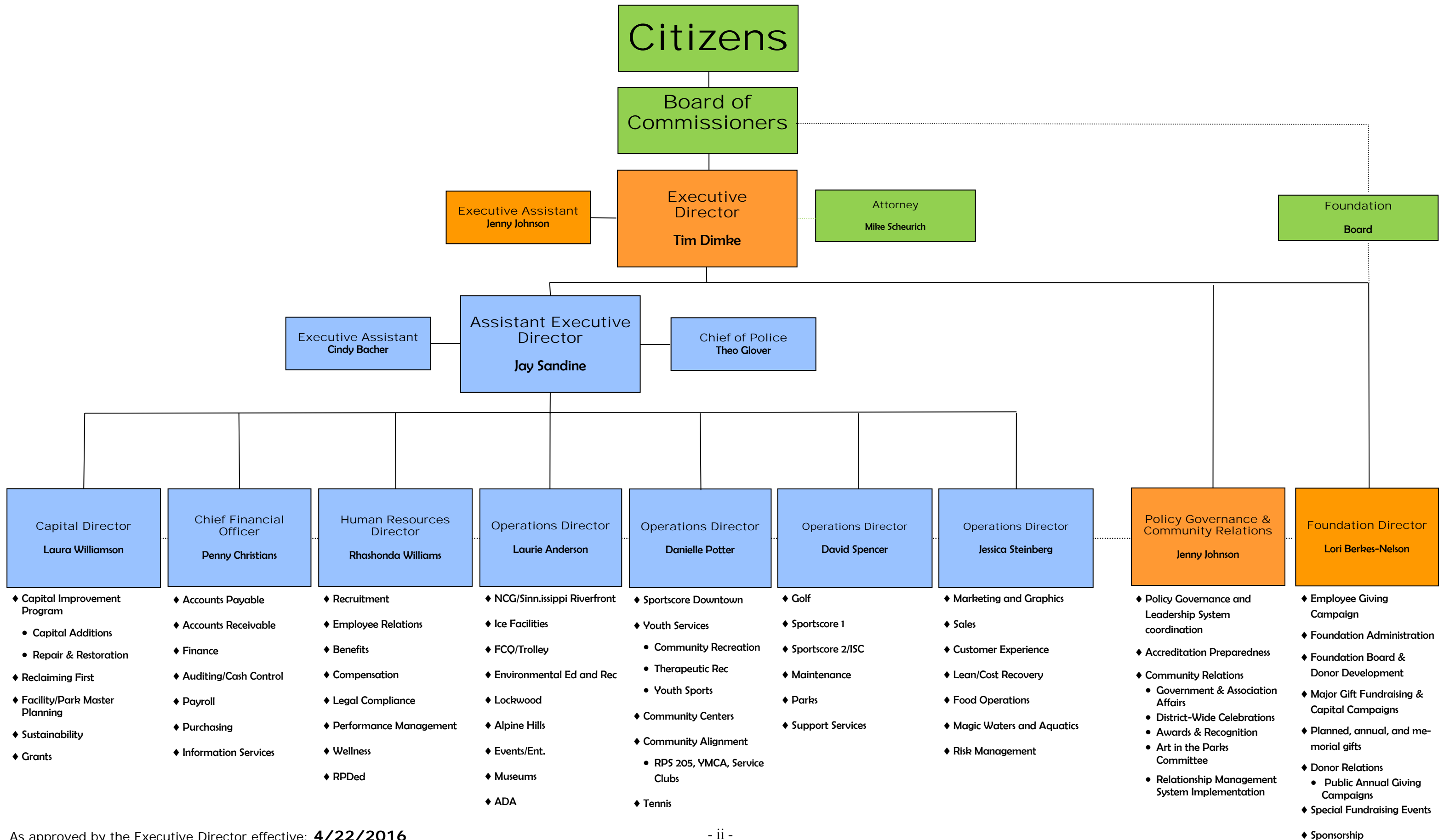
Ian K. Linnabary – President  
Jack L. Armstrong – Vice President  
Julianne C. Elliott – Secretary  
Scott Olson  
Tyler Smith

Tim Dimke – Executive Director  
Penny Christians – Chief Financial Officer



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Presented to

**Rockford Park District  
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For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO



# ROCKFORD PARK DISTRICT

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

April 20, 2017

To: The Citizens of the Rockford Park District

The Comprehensive Annual Financial Report of the Rockford Park District (the District) for the year ended December 31, 2016, is submitted herewith. This report was prepared by the District's Financial Services Team. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain maximum understanding of the District's financial affairs have been included.

The District's financial statements are required by "an act in relation to audits of the accounts of certain governmental units" to be audited annually by a licensed public accountant. The District's financial statements were audited in accordance with said "act" by the accounting firm of Sikich LLP. The firm has issued an unmodified ("clean") opinion of the Rockford Park District's basic financial statements for the year ended December 31, 2016. The independent auditor's report is located at the front of the financial section of this report.

This report also includes the operations of the Rockford Park District Foundation, which is reported as a discretely presented component unit. The Foundation is a nonprofit entity operated in conjunction with and for the benefit of the District.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in management's discussion and analysis, which can be found in the financial section of this report. In the financial section, all amounts are presented in whole dollars unless indicated otherwise.

## Profile of the Government

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

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Serving the Communities of Cherry Valley, Loves Park, New Milford, Rockford, and unincorporated areas of Winnebago and Boone Counties

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The District maintains budgetary controls to ensure compliance with legal provisions embodied in the Annual Appropriated Budget approved by the District's Board of Commissioners. Activities of all District funds except the Working Cash Fund are included in the Annual Appropriated Budget. The Rockford Park District Foundation does prepare/approve an annual budget under the governance of the Rockford Park District Foundation Board of Directors even though they are not required to do so. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established by object class within each fund.

### **Local Economy**

The Rockford Park District is located in the northernmost tier of Illinois counties. Rockford is 65 miles northwest of Chicago's O'Hare International Airport and 90 miles east of the Mississippi River and has great access to major road and rail systems. Rockford is part of the Rockford Metropolitan Statistical Area (MSA), which includes Boone, Ogle, and Winnebago Counties.

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

The employment outlook for the region improved slightly from the previous year. The Illinois Department of Employment Security reports the average unemployment rate in 2016 for the Rockford MSA remained relatively the same (6.7% in 2015 to 6.8% in 2016). The Rockford MSA unemployment rate is still above the average 2016 state unemployment rate of 6.0%. The largest employment sector is manufacturing, followed by trade, transportation, utilities and educational-health services.

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

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

Transform Rockford, a local initiative started in 2013, utilized successful business planning processes to develop a vision for the Rockford region. Every individual, through a public process, was asked to provide

insight, input, and commitment to this transformational endeavor. Currently, utilizing the vision developed by the input as a guide, an aggressive implementation plan is being developed by teams who will be leading efforts to bring the vision to reality. The initiative is being received with much excitement and hope for bringing positive changes to the region.

As the economy and demographics continue to change, the District Board and staff remain dedicated to maintaining the quality of life services needed to help all citizens enjoy life and take pride in their community as a great place to live, work, learn, play, and visit.

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

The Rockford Park District consults with a financial advisor to ensure its debt structure remains in compliance with statutory requirements, while also strategically leveraging debt to maximize the use of District funds. Under current state statutes, the District's total debt is subject to a legal limitation based on 2.875% of total assessed value of real property. Included in the total general obligation bonds outstanding are general obligation bonds supported by real estate tax revenues. These bonds are limited to .575% of total assessed value of real property unless approved via referendum.

Senior management staff continually works on planning for long-term financial sustainability. This includes annual updates of the three-year financial forecast for operating and capital funds. Additionally, the District continues to refine and expand the application of the cost recovery model originally developed in 2013. This model identifies the percent of each program's cost to be funded by support from taxes, if any, and patron fees for all programs offered throughout the District. This model has provided a basis for improved budgeting and financial analysis for developing adjusting existing programs, adding new programs or potentially eliminating programs. The District also puts significant efforts into seeking out alternative revenues, such as sponsorships, endowments, and naming rights.

### **Relevant Financial Policies**

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

While facing decreased revenues and increasing costs, the District was on track to be in compliance with the fund balance policy for 2015. In April, 2016, the State released a statement that over 1600 municipalities, including the District, had received overpayments of personal property replacement tax over the last two years. As a result of the requirement to record the liability for the State's overpayment of \$299,463 in the 2015 financial statements, the District was .31% below the minimum level of 47.5% for 2015. Due to positive results from 2016 operations, the District was able to restore fund balance to 48.2% and is once again compliant with policy.

### **Major Initiatives**

**"Reclaiming First"** – In December, 2011 the Rockford Park District, along with the Rockford Area Convention and Visitors Bureau, released a report which was commissioned to outline a vision for "Retaining, Regaining, and Growing" the local sports tourism industry, while providing new recreational and sports opportunities for local citizens. Amateur sports are important to the regional economy, with \$15.25 million spent in the Rockford

region each year with existing sporting events and tournaments. A comprehensive feasibility study led to this plan outlining the facility improvements and additions necessary to realize this vision. A joint effort by regional municipalities, along with state legislative members, passed legislation authorizing local implementation of a 2% hotel/motel tax to help fund the expansion of the sports complexes. The Winnebago County Regional Tourism Facility Board (WCRTFB) was established to govern the use of the tax funds, which was unanimously approved by municipalities representing 97.6% of county residents. WCRTFB member entities include the County of Winnebago, cities of Loves Park, Rockford, and South Beloit, villages of Cherry Valley, Machesney Park, Rockton, and Roscoe, Rockford Area Convention & Visitors Bureau, and Rockford Park District.

The Reclaiming First facilities developments are now almost completed:

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

In the fall of 2016, Mercyhealth Sportscore Two was chosen to host the elite Premier Super Copa soccer tournament in June 2017. The new facilities provide the ability to attract national tournaments which have a great economic impact on the local economy.

The Indoor Sports Center existing structure at Mercyhealth Sportscore Two is also being expanded by a 133,000 square foot sports building adjacent to the current structure. The building will house one full sized soccer, football, lacrosse, or rugby field which can be divided into smaller fields. The connector building bridging the two structures will have a lobby, concession services, and restrooms. With these additions slated to be completed in mid-2017, the facility will be able to host up to six simultaneous soccer games or two softball games.

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

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

**Silent Sports** - The plan for Atwood Park Silent Sports includes the development of 20 miles of purposeful and sustainable multi-use trails, as well as a trailhead. The unique topography of Atwood Park encompasses woodland, prairie, river, and marsh habitats, making it an ideal site for year-round outdoor pursuits. A silent sports facility includes activities such as mountain biking, hiking, trail running, cross-country skiing, snowshoeing, wildlife observation, and fat biking. The master plan, which focuses on sustainability, utilizes existing trails, closes some trails, and improves the trail system connectivity for all users. The District has collaborated with the Silent Sports Friends Group to pursue fundraising efforts to minimize the reliance on tax dollars. The plan is to complete the

project in phases, coinciding with fundraising efforts. Currently, about 75% of the \$464,000 needed to complete phase one of the project has been raised. Phase one will include a 3.3 mile contour flow trail for hikers and bikers (intermediate), a 1.3 mile natural surface trail for hikers and bikers (beginner), and initial development of the trailhead and parking area.

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

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Rockford Park District for its comprehensive annual financial report for the fiscal year ended December 31, 2015. This was the twentieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the Rockford Park District received its eighth consecutive Popular Annual Financial Reporting Award for the fiscal year ended December 31, 2015. The award truly exemplifies the commitment of the Board of Commissioners and management to being truly transparent in providing financial information in an easy to understand format to the citizens.

The entire staff of the Financial Services Team of the Rockford Park District have contributed to the preparation of this report and I would like to express my appreciation to each one of them. Should you like additional information on this report or any aspect of the District, we encourage you to call the Executive Director or myself. Thank you for your interest and support of your Rockford Park District. It is a pleasure to serve you.

Respectfully submitted,



Penny Christians  
Chief Financial Officer

## **FINANCIAL SECTION**





401 W. State Street, Suite 509  
Rockford, Illinois 61101

Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Rockford Park District, Rockford, Illinois (the District), as of and for the year ended December 31, 2016, and the related notes to financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Rockford Park District, Rockford, Illinois, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

*Sikich LLP*

Rockford, Illinois

April 20, 2017

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## ROCKFORD PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

---

As management of the Rockford Park District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Rockford Park District for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information provided in the letter of transmittal in the Introductory Section of this report.

### **Financial Highlights**

- The assets and deferred outflows of the District exceeded the liabilities and deferred inflows by approximately \$74,352,000 (net position) at December 31, 2016. Of this amount, approximately (\$8,780,000) is unrestricted. The negative amount is primarily a result of a \$12,000,000 contingent liability for estimated clean up costs resulting from an EPA claim as discussed in Note 14. Approximately \$66,751,000 of net position is net investment in capital assets.
- Net Position for 2015 was restated in accordance with GASB 68 in order to utilize the IMRF pension actuarial evaluation from December 31, 2015 for the 2016 financial statements. This ensures the audited financials can be provided in a more timely manner. The restated 2015 net position was \$74,574,114, an increase of \$1,523,192. The District experienced a decrease from the 2015 restated net position in the amount of \$221,685. The detailed changes in total net position are included in the financial analysis of the District as a whole section.
- The District's long-term debt obligations (including current portion) increased by a total of approximately \$14,008,000. This increase is mainly due a net increase of \$13,954,000 in general obligation bond debt, a decrease in the pledge due to the City of Rockford of \$150,000, an increase of \$95,192 in the liability for Net Other Post-Employment Benefits, a decrease of \$5,022 in compensated absences, a net increase in premiums/discounts on bonds payable of \$39,492 and the net increase of \$73,831 for capital lease activity.
- The District invested approximately \$16,493,000 in capital assets in 2016. This particularly large amount is due to investments into the Reclaiming First capital projects. Depreciation expense on the District's governmental capital assets totaled approximately \$4,536,000 for the year ended December 31, 2016.
- As of December 31, 2016, the District's governmental funds reported combined ending fund balances of \$14,622,409, an increase of \$2,518,083 from the prior year combined ending fund balances. The increase is mainly due to bond proceeds not yet spent. Approximately \$3,601,000 is Unrestricted and *available for spending* at the District's discretion. Included in this amount is \$512,244 which is currently *assigned* by management for specified uses within various funds.

### **Overview of the Financial Statements**

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

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

## ROCKFORD PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

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

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

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

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

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

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

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**Fiduciary Funds** – The District maintains one fiduciary fund, which is classified as an Agency Fund. The fund is used to account for all activity for the Winnebago County Regional Facility Tourism Board, which was formed to oversee revenue produced by a 2% hotel tax in Winnebago County authorized by Illinois State Statute 55 ILCS 5/5-1030. The hotel tax revenue is being utilized to assist with funding the various projects within Reclaiming First. The financial statement for this fund is the Statement of Fiduciary Net Position and appears on page 16 of this report.

**Notes to the financial statements.** Also included in this report are important notes to the financial statements that further explain some of the information in the statements and provide more detailed data. The notes to the financial statements can be found on pages 17-56.

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

Following the required supplementary information, there is also additional supplementary information and statistical information the District has provided to further explain and support the financial statements and provide historical and trend information for the District and the surrounding community.

**Government-wide Financial Analysis**

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the primary government's financial statements. For detailed information pertaining to the Foundation, refer to the separately issued Foundation financial statements for the year ended December 31, 2016.

**2016 Financial Analysis of the District as a Whole**

Net Position: The District's total net position for the primary government was slightly lower on December 31, 2016 than the 2015 restated net position, decreasing to approximately \$74,352,000. The following provides a summary of the District's net position as of December 31, 2016 and 2015.

	<u>2016</u>	<u>2015</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Assets</b>				
Current assets	\$ 62,195,530	\$ 60,290,408	\$ 1,905,122	3.2%
Capital assets	107,252,618	95,181,130	12,071,488	12.7%
Total assets	<u>169,448,148</u>	<u>155,471,538</u>	<u>13,976,610</u>	<u>9.0%</u>
<b>Deferred outflows of resources</b>	<u>6,448,065</u>	<u>4,748,275</u>	<u>1,699,790</u>	-
<b>Liabilities</b>				
Current liabilities	14,289,572	20,681,089	(6,391,517)	-30.9%
Long-term obligations, less current portion	63,232,199	42,865,029	20,367,170	47.5%
Total liabilities	<u>77,521,771</u>	<u>63,546,118</u>	<u>13,975,653</u>	<u>22.0%</u>
<b>Deferred inflows of resources</b>	<u>24,022,013</u>	<u>23,622,773</u>	<u>399,240</u>	<u>1.7%</u>
<b>Net position</b>				
Net investment in capital assets	66,751,016	66,137,281	613,735	0.9%
Restricted	16,380,920	16,913,944	(533,024)	-3.2%
Unrestricted	(8,779,507)	(10,000,303)	1,220,796	-12.2%
Total net position	<u>\$ 74,352,429</u>	<u>\$ 73,050,922</u>	<u>\$ 1,301,507</u>	<u>1.8%</u>
Change in Accounting Principle		526,018		
Restatement of capital assets		997,174		
Restated Net Position		<u>74,574,114</u>		

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

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The District experienced a decrease in total net position of approximately \$221,685 during 2016. The change in net position is attributable to several factors as follows:

Assets and Deferred Outflows

- Cash and Investments increased by \$2,986,074 from the previous year mainly due to less bond carryover funds for capital repairs and replacements.
- Receivables:
  - Property taxes receivable decreased by \$32,001 due to an increase in uncollectible taxes.
  - Accounts Receivables decreased by \$254,384 mainly due to decreased receivables related to healthcare stop-loss reinsurance.
  - Accrued interest receivable decreased by \$2,498.
  - Other Government receivables decreased by \$532,980 mainly due to the receipt of pledge payments for the Reclaiming First
  - Component Unit (Rockford Park District Foundation) receivables remained the same. There was no payment due in 2016 for payment of principal for the Series 2011A Bonds issue which are backed by donor pledges to the Foundation.
  - Naming Rights receivables decreased due to receipt of annual payments.
- Capital assets not being depreciated had a net decrease of \$1,079,250 mainly due to projects related to Reclaiming First being completed and moved out of Construction in Progress.
- Capital assets, net of accumulated depreciation, increased \$12,153,564 in 2016. The increase was primarily due to new assets related to Reclaiming First, offset by depreciation expense and retirements. The detail of the increases and decreases by asset class are displayed in Note 5.
- Deferred outflows of resources increased due to the change in the measurement of the net pension liability resulting in the implementation of GASB Statement No 71, deferring the entire employer contribution made to IMRF in calendar year 2016.

Liabilities and Deferred Inflows

- Accounts Payable was \$195,116 higher mainly due to larger invoices and retainage for capital projects for Reclaiming First.
- The amount of \$299,463 due to other governments is the liability recognized due to the multi-year overpayments of Replacement Tax by the State of Illinois. The liability was first reflected in the 2015 audited financials and the District is waiting on the State to communicate the plan for the recoupment of these overpayments.
- Unearned Revenue was \$291,104 lower mainly due to receipt of payment on the two naming right contracts.
- Net pension liability for 2015 was restated as a result of the implementation of GASB 68. The net pension liability increased in 2016 by \$3,925,901 mainly as a result of interest costs and investment income falling short of the assumed rate of return for the measurement period (calendar year ended December 31, 2015).
- Noncurrent liabilities were higher by \$14,155,663 from 2015 due mainly to draws taken on the Reclaiming First bond issues, as well as increases in capital lease obligations and other post-employment benefit obligations. These increases were offset by decreases in the note payable to the City of Rockford and compensated absences.
- Deferred Inflows were lower than restated 2015 figures by \$155,565 and consisted mainly of the change in pension-related inflows.



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

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The following provides a summary of the District's changes in net position for the year ended December 31, 2016:

	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 10,698,980	\$ 9,510,082
Operating grants and contributions	1,417,125	967,879
Capital grants and contributions	2,469,758	2,093,680
General revenues		
Property taxes	23,613,467	23,544,225
Replacement taxes	2,306,928	2,304,035
Investment income	55,986	22,967
Miscellaneous	699,305	1,282,547
Gain on sale of capital assets	14,875	1,903
Total revenues	<u>41,276,424</u>	<u>39,727,318</u>
<b>Expenses</b>		
Park operations	6,807,504	6,878,434
Recreation operations		
Facilities	16,807,626	14,795,645
Programs	4,306,988	3,935,090
Therapeutic operations	931,776	1,098,913
Museum operations	1,605,201	1,771,005
Police protection	1,533,013	1,940,498
Administration	7,893,541	7,125,634
Interest and fiscal charges	1,612,460	498,884
Total expenses	<u>41,498,109</u>	<u>38,044,103</u>
Change in net position	(221,685)	1,683,215
Net Position, January 1 as previously stated	73,050,922	73,800,936
Restatement	1,523,192	(2,433,229)
Net Position, January 1, restated	<u>74,574,114</u>	<u>71,367,707</u>
Net Position, December 31	<u>74,352,429</u>	<u>73,050,922</u>

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

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**Analysis 2016 Statement of Activities and Governmental Activities:**

**Revenues**

The District's total revenues were \$41,276,424 for governmental activities in 2016, an overall increase of \$1,549,106 or 3.9%, from 2015. The net increase in revenue is primarily due to increases in Charges for Services and Grants.

A large portion of the increase in Charges for Services resulted from the Park District now providing concession services rather than contracting, as well as increases in fee revenue at the ice facilities, golf courses and six months of operation at the new UW Health Sports Factory.

Operating Grants and Contributions increased in 2016 mainly due to an endowment benefitting the Nicholas Conservatory and Gardens. Capital Grants and contributions were higher in 2016 due to recognition of a portion of an Illinois Park and Recreation Facility Construction Grant related to the Reclaiming First project.

The District's property tax revenue increased mainly due to the bond levy, while Replacement Taxes remained at a similar level as 2015.

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

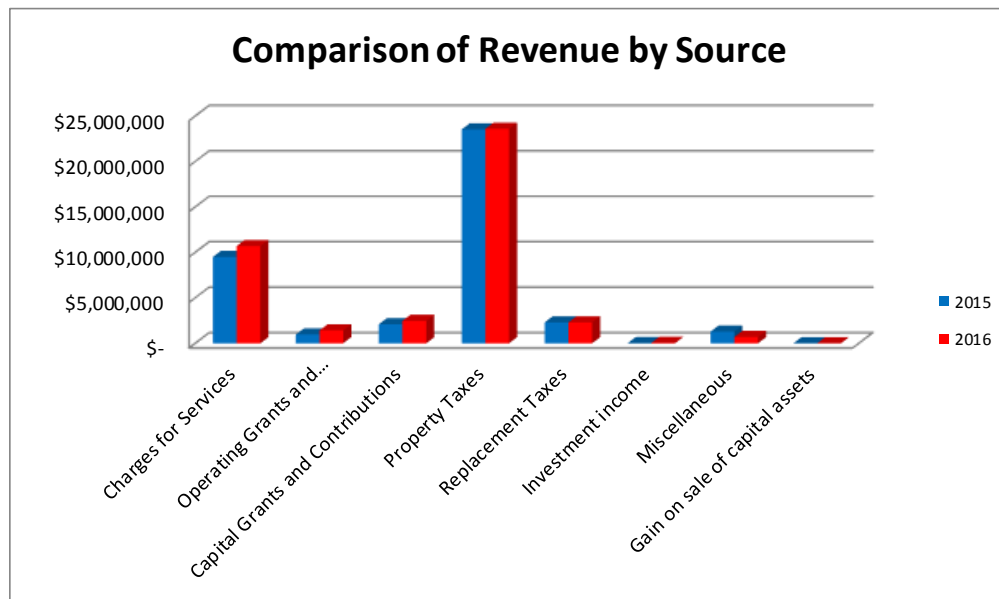
The decrease in miscellaneous revenue is mainly due to the receipt of one time payments related to the Sand Park EPA case in 2015.

A comparative of revenue by source for 2016 and 2015 is shown below in a table and graphic illustration:

<b>Revenue Source</b>	<b>2016</b>		<b>2015</b>		<b>Dollar Change</b>	<b>% Change</b>
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>		
Charges for Services	\$ 10,698,980	25.9%	\$ 9,510,082	23.9%	\$ 1,188,898	12.5%
Operating Grants and Contributions	1,417,125	3.4%	967,879	2.4%	449,246	46.4%
Capital Grants and Contributions	2,469,758	6.0%	2,093,680	5.3%	376,078	18.0%
Property Taxes	23,613,467	57.2%	23,544,225	59.3%	69,242	0.3%
Replacement Taxes	2,306,928	5.6%	2,304,035	5.8%	2,893	0.1%
Investment income	55,986	0.1%	22,967	0.1%	33,019	143.8%
Miscellaneous	699,305	1.7%	1,282,547	3.2%	(583,242)	-45.5%
Gain on sale of capital assets	14,875	0.0%	1,903	0.0%	12,972	100.0%
<b>Total</b>	<b>\$41,276,424</b>	<b>100.0%</b>	<b>\$39,727,318</b>	<b>100.0%</b>	<b>1,549,106</b>	<b>3.9%</b>

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

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**Expenses**

The total cost of all governmental programs and services was \$41,498,109 for the year ended December 31, 2016. This is an increase in total costs from 2015 of \$3,454,006 or 9%.

Facilities' expenses increased mainly due to opening the new UW Health Sports Factory in June 2016. Depreciation was significantly higher in 2016 because of the completion of several construction projects related to Reclaiming First. Higher expenses at the Nicholas Conservatory and Gardens resulted from the receipt of endowment proceeds to be utilized for programming and services. The District also had increases wages and facility equipment repairs.

Program expenses were higher specifically due to salaries and staff restructuring between facilities and programs.

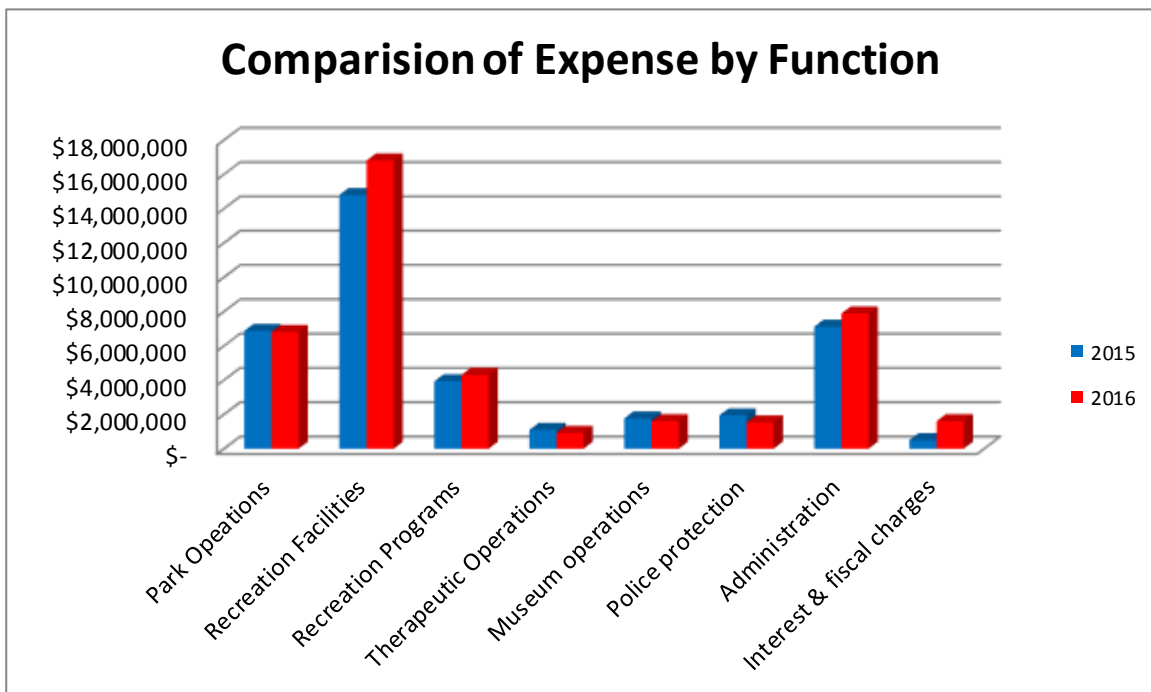
Therapeutic Recreation and Museum expenses were lower mainly due to lower revenues available from property taxes.

Interest and fiscal charges increased in 2016 mainly due to the interest costs for the debt related to Reclaiming First.

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

A comparison of expenses by function for 2016 and 2015 is shown below in a table and graphic illustration:

<u>Operations</u>	<u>2016</u>		<u>2015</u>		<u>Dollar Change</u>	<u>Percent Change</u>
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>		
Park	6,807,504	16%	6,878,434	17%	(70,930)	-1%
Recreation Operations						
Facilities	16,807,626	41%	14,795,645	36%	2,011,981	14%
Programs	4,306,988	7%	3,935,090	7%	371,898	9%
Therapeutic	931,776	2%	1,098,913	3%	(167,137)	-15%
Museum	1,605,201	4%	1,771,005	4%	(165,804)	-9%
Police	1,533,013	4%	1,940,498	5%	(407,485)	-21%
Administration	7,893,541	19%	7,125,634	17%	767,907	11%
Interest and fiscal charges	1,612,460	4%	498,884	1%	1,113,576	223%
<b>Total</b>	<b><u>41,498,109</u></b>	<b>100%</b>	<b><u>38,044,103</u></b>	<b>100%</b>	<b><u>3,454,006</u></b>	<b>9%</b>



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

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

	<b>Total Cost of Services 2016</b>	<b>Net Cost of Services 2016</b>
Park operations	\$6,807,504	\$6,718,091
Recreation operations		
Facilities	16,807,626	3,912,206
Programs	4,306,988	3,041,266
Therapeutic operations	931,776	854,086
Museum operations	1,605,201	1,605,201
Police protection	1,533,013	1,505,480
Administration	7,893,541	7,663,456
Interest on debt	1,612,460	1,612,460
	<u>\$41,498,109</u>	<u>\$26,912,246</u>

The cost of all governmental activities this year was approximately \$41,498,000. Individuals who directly participated or benefited from a program offering, as well as operating and capital grants/contributions paid for approximately \$14,586,000 of the costs. The net cost of services was primarily financed by District taxpayers through property taxes and replacement taxes totaling approximately \$25,920,000. The District also continually seeks alternative revenue sources such as endowment funding, sponsorships, and naming rights agreements to lessen the reliance on property taxes.

***Financial Analysis of the District's Funds***

The financial performance of the District is also reflected in its governmental funds throughout the fund financial statements. The District ended the year with a total governmental fund balance of \$14,622,409, a \$2,518,083 increase from the prior year. A total of \$3,147,914, or 21.5%, is *unrestricted* fund balance within the general fund. Included in this amount is the recreation fund's negative *unassigned* fund balance of (\$59,436). The remaining total fund balance consists of \$266,582 – *nonspendable* (not in spendable form), \$10,755,105– *restricted* (legally required to spend for a specific purpose) and \$512,244 – *assigned* (management has assigned a particular purpose).

The amount of unassigned fund balance is a measure of the general fund's liquidity. The unrestricted and unassigned fund balance in the general fund of \$3,147,914 represents approximately 32.6% of total general fund expenditures.

**General Fund Budgetary Highlights**

Although the District's final budget for the general fund anticipated a \$243,890 change in fund balance, the actual results for the year showed an increase of \$237,097, bringing the general fund balance to \$3,308,611.

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

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***Capital Assets and Debt Administration***

Capital assets: At the end of 2016, the District had invested approximately \$189,815,425 (**not** net of accumulated depreciation) in a broad range of capital assets.

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

- Purchase of an ice re-surfacing machine for Carlson Arctic Ice Arena
- Addition of a boat dock located on the riverfront near the Museums
- Shelter and spraypad at Beattie Park
- Playground at Harmon Park
- Projects at Alpine Hills Adventure Park including equipment, electrical improvements and landscaping for the Park's winter snow operations, as well as the completion of the 5-hole learning golf course.
- Completed projects within Reclaiming First, including the new artificial turf fields, parking improvements and a concession and restroom building

Total depreciation expense for the year was \$4,536,445, while the net change from acquisitions and disposals was \$14,119,077. The following table shows the change in the District's capital assets, net of depreciation:

	<b>2016</b>	<b>2015</b>	<b>Change</b>
Construction in progress	\$ 18,011,764	\$ 19,091,014	(1,079,250)
Land	\$ 22,778,684	\$ 22,356,877	421,807
Land improvements	\$ 23,290,167	\$ 11,369,962	11,920,205
Vehicles	\$ 679,707	\$ 540,301	139,406
Infrastructure	\$ 4,937,240	\$ 5,055,352	(118,112)
Intangible assets	\$ 85,112	\$ 31,999	53,113
Fine Art	\$ 249,861	\$ 265,368	(15,507)
Administrative equipment	\$ 260,155	\$ 279,279	(19,124)
Recreation equipment and structures	\$ 8,916,121	\$ 8,872,664	43,457
Buildings and improvements	\$ 28,043,807	\$ 27,318,314	725,493
	<u>\$ 107,252,618</u>	<u>\$ 95,181,130</u>	<u>\$ 12,071,488</u>

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

Long-term obligations: At December 31, 2016, the District had \$38,242,943 outstanding in general obligation bonds, an increase of \$13,953,547 from the prior year. More detailed comparative information is laid out in the following chart and information about the District's long-term debt and other obligations is also presented in Notes 4, 7, 9, 10, 14 and 17 to the financial statements.

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

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

	<b>2016</b>	<b>2015</b>	<b>Net Change</b>
General obligation bonds	\$ 38,242,943	\$ 24,289,396	\$ 13,953,547
Premium on bonds payable, net of amortization	76,645	37,409	39,236
Discount on bonds payable, net of accretion	(11,304)	(12,560)	1,256
Capital lease obligation	209,497	135,666	73,831
Note payable - City of Rockford	3,450,000	3,600,000	(150,000)
Net other post employment benefit	2,095,828	2,000,636	95,192
Compensated absences	809,460	814,482	(5,022)
Contingent liabilities	12,000,000	12,000,000	-
	<u>\$ 56,873,069</u>	<u>\$ 42,865,029</u>	<u>\$ 14,008,040</u>

The District maintained its long term credit rating by Moody's Investor Service of Aa3. The rating is affected mainly due to the result of the erosion in equalized assessed value in the District over the last several years and the continued stressed economic indicators.

***Factors Bearing on the District's Future***

At the time these financial statements were prepared and audited, the District was unaware of any adverse existing circumstances that could significantly affect its financial health in the future, other than the contingent liability which exists for the District relating to the Illinois Environmental Protection Agency's proceedings against the District as owner of Sand Park. In response to these proceedings, it is likely that the District will be required to spend between \$6,000,000 and \$15,000,000 in clean-up costs over the next four years. At December 31, 2016, \$12,000,000 has been recorded as a contingent liability on the government-wide statement of net position as the District's expected liability. Additional information relating to this contingency is presented in Note 14 to the financial statements.

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

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Chief Financial Officer, Penny Christians, at the Rockford Park District, 401 South Main Street, Rockford, Illinois 61101.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

STATEMENT OF NET POSITION

December 31, 2016

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Rockford Park District Foundation</b>
<b>ASSETS</b>		
Cash	\$ 878,053	\$ 1,313,911
Investments	14,924,772	4,014,497
Receivables (net, where applicable, of allowances for uncollectibles)		
Property taxes	23,612,149	-
Accounts	4,487,079	4,098
Accrued interest	2,635	3,795
Other governments	8,774,020	-
Component unit	665,000	-
Naming rights	8,609,280	-
Pledges and contributions	-	877,520
Notes receivable	-	9,288
Prepaid expenses	101,325	60
Inventory	141,217	-
Land held for future donation	-	1,039,666
Other real estate	-	40,756
Capital assets not being depreciated	40,790,448	225,803
Capital assets being depreciated net of accumulated depreciation	66,462,170	234,441
<b>Total assets</b>	<b>169,448,148</b>	<b>7,763,835</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Unamortized charge on refunding	79,394	-
Pension items - IMRF	6,368,671	-
<b>Total deferred outflows of resources</b>	<b>6,448,065</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>175,896,213</b>	<b>7,763,835</b>
<b>LIABILITIES</b>		
Accounts payable	3,644,175	293,323
Accrued payroll	669,463	-
Due to other governments	299,463	-
Unearned revenue	9,071,176	-
Claims payable	541,695	-
Accrued interest payable	63,600	-
Other liabilities	-	3,503
Noncurrent liabilities		
Due within one year	6,554,453	100,000
Due in more than one year	50,318,616	565,000
Net pension liability	6,359,130	-
<b>Total liabilities</b>	<b>77,521,771</b>	<b>961,826</b>

(This statement is continued on the following page.)



**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2016

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Rockford Park District Foundation</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension items - IMRF	\$ 409,864	\$ -
Deferred revenue - property taxes	23,612,149	-
Total deferred inflows of resources	24,022,013	-
Total liabilities and deferred inflows of resources	101,543,784	961,826
<b>NET POSITION</b>		
Net investment in capital assets	66,751,016	460,244
Restricted for		
Museum operations	569,930	-
Police protection	7,355	-
Employee benefits	970,192	-
Audit	55,867	-
Working cash	711,834	-
Special recreation	1,476,179	-
Debt service	1,051,283	-
Liability insurance	1,478,822	-
Capital projects	1,389,458	-
Reclaiming First	8,670,000	-
Park district purposes	-	1,174,176
Temporarily restricted	-	3,881,069
Permanently restricted	-	1,286,520
Unrestricted (deficit)	(8,779,507)	-
<b>TOTAL NET POSITION</b>	<b>\$ 74,352,429</b>	<b>\$ 6,802,009</b>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

FUNCTIONS/PROGRAMS					Net (Expense) Revenue and Change in Net Position	
	Program Revenues				Primary Government	Component Unit
	Expenses	Charges for Services	Operating		Governmental Activities	Rockford Park District Foundation
			Grants and Contributions	Capital Grants and Contributions		
<b>PRIMARY GOVERNMENT</b>						
Governmental Activities						
Park operations	\$ 6,807,504	\$ 89,413	\$ -	\$ -	\$ (6,718,091)	\$ -
Recreation operations						
Facilities	16,807,626	9,858,187	567,475	2,469,758	(3,912,206)	-
Programs	4,306,988	450,171	815,551	-	(3,041,266)	-
Therapeutic operations	931,776	45,179	32,511	-	(854,086)	-
Museum operations	1,605,201	-	-	-	(1,605,201)	-
Police protection	1,533,013	25,945	1,588	-	(1,505,480)	-
Administration	7,893,541	230,085	-	-	(7,663,456)	-
Interest and fiscal charges	1,612,460	-	-	-	(1,612,460)	-
Total governmental activities	41,498,109	10,698,980	1,417,125	2,469,758	(26,912,246)	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 41,498,109</b>	<b>\$ 10,698,980</b>	<b>\$ 1,417,125</b>	<b>\$ 2,469,758</b>	<b>(26,912,246)</b>	<b>-</b>
<b>COMPONENT UNIT</b>						
Rockford Park District Foundation	\$ 1,867,744	\$ 24,572	\$ 1,913,719	\$ 15,900	-	86,447
General Revenues						
Taxes						
Property					23,613,467	-
Replacement					2,306,928	-
Investment income					55,986	196,882
Miscellaneous					699,305	-
Gain on sale of capital assets					14,875	-
Total					26,690,561	196,882
<b>CHANGE IN NET POSITION</b>					<b>(221,685)</b>	<b>283,329</b>
<b>NET POSITION, JANUARY 1</b>					<b>73,050,922</b>	<b>6,940,487</b>
Prior period adjustment					1,523,192	(421,807)
<b>NET POSITION, JANUARY 1, RESTATED</b>					<b>74,574,114</b>	<b>6,518,680</b>
<b>NET POSITION, DECEMBER 31</b>					<b>\$ 74,352,429</b>	<b>\$ 6,802,009</b>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2016

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 206,856	\$ 29,773	\$ 21,042	\$ 245,378	\$ 327,330	\$ 830,379
Investments	3,562,174	230,831	365,177	4,258,482	5,680,733	14,097,397
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	6,321,665	6,269,629	5,455,139	-	5,565,716	23,612,149
Accounts	21,429	489,287	-	3,899,508	1,016	4,411,240
Accrued interest	629	41	64	752	1,002	2,488
Other governments	24,040	-	-	8,749,980	-	8,774,020
Component unit	-	-	-	665,000	-	665,000
Naming rights	-	8,609,280	-	-	-	8,609,280
Prepaid expenditures	87,507	8,355	-	5,463	-	101,325
Inventory	49,150	92,067	-	-	-	141,217
	<u>\$ 10,273,450</u>	<u>\$ 15,729,263</u>	<u>\$ 5,841,422</u>	<u>\$ 17,824,563</u>	<u>\$ 11,575,797</u>	<u>\$ 61,244,495</u>
Total assets						

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 161,561	\$ 238,420	\$ -	\$ 3,001,672	\$ 242,522	\$ 3,644,175
Accrued payroll	441,178	20,544	-	-	207,741	669,463
Due to other governments	36,568	103,608	-	-	159,287	299,463
Unearned revenue	3,867	9,056,076	-	-	1,893	9,061,836
Total liabilities	643,174	9,418,648	-	3,001,672	611,443	13,674,937
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	6,321,665	6,269,629	5,455,139	9,335,000	5,565,716	32,947,149
Total deferred inflows of resources	6,321,665	6,269,629	5,455,139	9,335,000	5,565,716	32,947,149
Total liabilities and deferred inflows of resources	6,964,839	15,688,277	5,455,139	12,336,672	6,177,159	46,622,086
<b>FUND BALANCES</b>						
Nonspendable in form - inventory	49,150	92,067	-	-	-	141,217
Nonspendable in form - prepaid items	87,507	8,355	-	5,463	-	101,325
Nonspendable in form - long-term receivables	24,040	-	-	-	-	24,040
Restricted for museum operations	-	-	-	-	569,930	569,930
Restricted for police protection	-	-	-	-	7,355	7,355
Restricted for employee benefits	-	-	-	-	970,192	970,192
Restricted for audit	-	-	-	-	55,867	55,867
Restricted for working cash	-	-	-	-	711,834	711,834
Restricted for special recreation	-	-	-	-	1,476,179	1,476,179
Restricted for debt service	-	-	386,283	-	-	386,283
Restricted for liability insurance	-	-	-	-	1,478,822	1,478,822
Restricted for capital projects	-	-	-	5,098,643	-	5,098,643
Unrestricted						
Assigned for museum operations	-	-	-	-	1,427	1,427
Assigned for police protection	-	-	-	-	116,786	116,786
Assigned for special recreation	-	-	-	-	9,828	9,828
Assigned for audit	-	-	-	-	418	418
Assigned for capital projects	-	-	-	383,785	-	383,785
Unassigned	3,147,914	(59,436)	-	-	-	3,088,478
Total fund balances	3,308,611	40,986	386,283	5,487,891	5,398,638	14,622,409
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 10,273,450</b>	<b>\$ 15,729,263</b>	<b>\$ 5,841,422</b>	<b>\$ 17,824,563</b>	<b>\$ 11,575,797</b>	<b>\$ 61,244,495</b>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

December 31, 2016

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 14,622,409
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	107,252,618
Differences between expected and actual experiences, assumptions changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for IMRF are recognized as deferred outflows of resources on the statement of net position	6,368,671
Differences between expected and actual experiences, assumptions changes, and net differences between projected and actual earnings are recognized as deferred inflows of resources on the statement of net position	(409,864)
The net position of the internal service funds are included in the governmental activities in the statement of net position	400,000
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(38,242,943)
Notes payable	(3,450,000)
Contingent liabilities	(12,000,000)
Unamortized premium on issuance	(76,645)
Unamortized discount on issuance	11,304
Loss on refunding	79,394
Capital lease obligations	(209,497)
Accrued compensated absences	(809,460)
Accrued net other postemployment benefit obligation	(2,095,828)
Accrued interest payable on long-term liabilities are reported as a liability on the statement of net position	(63,600)
Certain unavailable revenues related to long-term receivables on the fund financial statements are considered earned and on the statement of activities	9,335,000
Net pension liabilities for IMRF is shown as liability on the statement of net position	<u>(6,359,130)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 74,352,429</u></u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<u>General</u>	<u>Recreation</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Property taxes	\$ 6,465,080	\$ 6,424,467	\$ 5,432,443	\$ -	\$ 5,291,478	\$ 23,613,468
Other taxes	276,831	784,356	-	-	1,245,742	2,306,929
Intergovernmental	-	765,526	-	2,421,359	1,588	3,188,473
Local donations	-	-	-	596,641	-	596,641
Fees and admissions	321,834	10,255,613	-	53,208	67,998	10,698,653
Investment income	9,211	1,872	8,021	17,345	19,536	55,985
Miscellaneous income	88,965	834,847	-	372,352	55,885	1,352,049
	<hr/>					
Total revenues	7,161,921	19,066,681	5,440,464	3,460,905	6,682,227	41,812,198
<hr/>						
<b>EXPENDITURES</b>						
Current						
Park operations	4,125,429	-	-	1,285,323	481,201	5,891,953
Recreation operations						
Facilities	-	11,445,618	-	1,872,280	1,314,862	14,632,760
Programs	-	3,781,442	-	-	561,839	4,343,281
Therapeutic operations	-	-	-	42,961	914,784	957,745
Museum operations	-	-	-	132,935	969,873	1,102,808
Police protection	-	-	-	-	1,524,890	1,524,890
Administration	5,527,669	-	-	719,387	631,469	6,878,525
Capital outlay	-	-	-	16,337,161	-	16,337,161
Debt service						
Principal retirement	-	-	5,100,000	1,172,793	-	6,272,793
Interest and fiscal charges	-	-	386,587	1,285,952	-	1,672,539
Payment to refunding escrow agent	-	-	-	296,527	-	296,527
	<hr/>					
Total expenditures	9,653,098	15,227,060	5,486,587	23,145,319	6,398,918	59,910,982
<hr/>						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,491,177)	3,839,621	(46,123)	(19,684,414)	283,309	(18,098,784)

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 3,140,819	\$ 349,314	\$ -	\$ 1,470,027	\$ 159,198	\$ 5,119,358
Transfers (out)	(412,545)	(4,147,949)	-	(1,667)	(557,197)	(5,119,358)
Issuance of bonds	-	-	-	21,071,548	-	21,071,548
Payment to refunding escrow agent	-	-	-	(835,062)	-	(835,062)
Premium on bond issuance	-	-	-	127,066	-	127,066
Issuance of capital lease obligation	-	-	-	123,623	-	123,623
Insurance proceeds	-	-	-	114,817	-	114,817
Proceeds from the sale of capital assets	-	-	-	14,875	-	14,875
Total other financing sources (uses)	2,728,274	(3,798,635)	-	22,085,227	(397,999)	20,616,867
NET CHANGE IN FUND BALANCES	237,097	40,986	(46,123)	2,400,813	(114,690)	2,518,083
FUND BALANCES, JANUARY 1	3,071,514	-	432,406	3,087,078	5,513,328	12,104,326
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 3,308,611</b>	<b>\$ 40,986</b>	<b>\$ 386,283</b>	<b>\$ 5,487,891</b>	<b>\$ 5,398,638</b>	<b>\$ 14,622,409</b>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 2,518,083</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	16,493,358
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(4,536,445)
Sales and disposals of capital assets are reported as proceeds from the sale of capital assets in governmental funds but as loss from sale or disposal on the statement of activities	(882,599)
Certain revenues are reported as unavailable in the fund financial statements but are accrued and considered revenue on the statement of activities	(550,650)
The change in deferred outflows of resources for IMRF is reported only in the statement of activities	1,094,378
The change in deferred inflows of resources for IMRF is reported only in the statement of activities	(409,864)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of net position	
Bonds	6,073,001
Note payable	150,000
Capital lease	49,792
The issuance of a capital lease is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of net position	(123,623)
The amortizations of premiums, discounts, and loss on refundings is reported as interest expense on the statement of activities	
Current year premium on bonds	(127,066)
Amortization of premium on bonds	87,830
Amortization of discount on bonds	(1,256)
Loss on refunding	(7,195)
The issuance of long-term debt is reported as an other financing source when due in governmental funds but as an increase in principal outstanding in the statement of activities	
Bonds	(21,071,548)
The payment to escrow agent for the refunding of long-term debt is reported as an expenditure and other financing use in the governmental funds but as	
A decrease in principal outstanding in the statement of net position	1,045,000
Loss on refunding amortized over the life of the bonds	86,589
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	(19,300)
The change in compensated absences liability is reported as an expense on the statement of activities	5,022
The change in the net other postemployment obligation liability is reported as an expense on the statement of activities	(95,192)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (221,685)</b>

See accompanying notes to financial statements.



**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND**

December 31, 2016

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 47,674
Investments	827,375
Accounts receivable	75,839
Interest receivable	147
	<hr/>
Total current assets	951,035
	<hr/>
<b>CURRENT LIABILITIES</b>	
Unearned revenue	9,340
Claims payable	541,695
	<hr/>
Total current liabilities	551,035
	<hr/>
<b>NET POSITION</b>	
Unrestricted	400,000
	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 400,000</b>
	<hr/> <hr/>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND**

For the Year Ended December 31, 2016

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Premiums	
Employee contributions	\$ 679,883
Employer contributions	2,159,510
Retiree contributions	200,851
	<hr/>
Total operating revenues	3,040,244
	<hr/>
<b>OPERATING EXPENSES</b>	
Health and life insurance premiums	623,267
Claims incurred	2,182,020
Administrative services	237,973
	<hr/>
Total operating expenses	3,043,260
	<hr/>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,016)</b>
	<hr/>
<b>NON-OPERATING REVENUE</b>	
Investment income	3,016
	<hr/>
Total non-operating revenue	3,016
	<hr/>
<b>CHANGE IN NET POSITION</b>	<b>-</b>
	<hr/>
<b>NET POSITION, JANUARY 1</b>	<b>400,000</b>
	<hr/>
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 400,000</b>
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See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND

For the Year Ended December 31, 2016

	<u><b>Governmental Activities Internal Service Fund</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from employees	\$ 680,729
Receipts from employer	2,389,271
Receipts from retirees	200,851
Payments to vendors	<u>(3,122,208)</u>
Net cash from operating activities	<u>148,643</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
None	<u>-</u>
Net cash from capital and related financing activities	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	3,159
Purchase of investments	(827,375)
Proceeds from sale of investments	<u>678,467</u>
Net cash from investing activities	<u>(145,749)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,894
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>44,780</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u><u>\$ 47,674</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (3,016)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Changes in assets and liabilities	
Accounts receivable	229,761
Increase in prepaids	12,595
Accounts payable	(1,266)
Claims payable	(90,277)
Unearned revenue	<u>846</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ 148,643</u></u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2016

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash	\$ 25,000
Investments	665,383
Other receivables	<u>115,013</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 805,396</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 44,146
Due to others	<u>761,250</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 805,396</u></u>

See accompanying notes to financial statements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The District was established in 1909 under the Submerged Lands Statute of 1895 to acquire, develop and manage park and recreation lands and facilities. The District is a separate, autonomous, special purpose taxing district governed by an elected Board of five District Commissioners. The District provides a wide range of facilities and programs to residents in the Rockford and surrounding communities that include parks and recreation paths, recreational programs, swimming pools and a water park, golf courses, museums, soccer fields and tennis courts.

a. Financial Reporting Entity

The District is a body corporate and politic established under Illinois Compiled Statutes (ILCS). The District is considered to be a primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and No. 34*, since its board is separately elected and fiscally independent. In accordance with these pronouncements, the basic financial statements include all funds for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The criteria used by the District to include component units within its reporting entity are financial accountability and the nature and significance of the relationship. The District includes the Rockford Park District Foundation (the Foundation) as a discretely presented component unit as it is legally separate and its sole purpose is to obtain financial resources to be used by the District or for the District's benefit.

The Foundation is a nonprofit corporation organized under the laws of the State of Illinois for the purpose of promoting educational, scientific and charitable activities in the Rockford community area. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The separate audited financial statements of the Foundation are available upon request at the Rockford Park District administrative offices at 401 South Main Street, Rockford, Illinois 61101-1321.

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

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

a. Financial Reporting Entity (Continued)

The Winnebago County Regional Tourism Facility Board (WCRTFB) is a joint venture between the District, Winnebago County, the City of Rockford, the City of Loves Park, the Village of Machesney Park, the Village of Cherry Valley, the Village of Rockton, the Village of Roscoe, the City of South Beloit and the Rockford Area Convention & Visitors Bureau. The purpose of the board is to direct the use of revenues collected pursuant to a hotel tax as well as any other revenue directed to the WCRTFB, specifically to fund the Reclaiming First initiatives of the District. The affairs of the WCRTFB are managed by a ten-person Board of Directors appointed by the Chief Executive of each member entity. The District has pledged an annual payment of \$300,000 for a period of 20 years to support the Reclaiming First initiatives which is made by servicing debt payments on the 2014A Bonds, 2015A Bonds and future related bond issues.

b. Fund Accounting

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

The District's funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for the District's general activities. The General (Corporate) Fund is the primary operating fund; accounting for all financial resources not accounted for in another fund. Special revenue funds account for revenue sources that are legally restricted or committed for specific purposes (except for capital projects funds). The Debt Service Fund accounts for the servicing of bonded general long-term debt using funds restricted, committed or assigned for debt service. Capital projects funds account for funds that are restricted, committed or assigned to the acquisition of capital assets or construction of major capital projects not financed by another fund. Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the District's programs.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District does not have any enterprise funds.

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

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

b. Fund Accounting (Continued)

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of material interfund activity other than interfund sales and services has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support. The District does not have any business-type activities.

c. Government-Wide and Fund Financial Statements

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

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

The District reports the following major governmental funds:

The General Fund accounts for the resources traditionally associated with general government, except those accounted for in another fund. Revenues of the General Fund are primarily property and other taxes plus interest. Expenditures relate primarily to general administration and maintenance activities.

The Recreation Fund accounts for the planning, establishing and maintaining of recreational programs and facilities. Financing is provided from an annual property tax levy restricted by the state for recreation purposes, an intergovernmental grant restricted for recreation purposes, an allocation of Illinois personal property replacement taxes and fees and charges for programs and activities assigned for recreation purposes.

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

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

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

The Debt Service Fund accounts for the accumulation of resources that are restricted or assigned for repayment of various general obligation bond issues where repayment is financed by an annual property tax levy.

The Capital Projects Fund accounts for financial resources restricted, committed or assigned for the acquisition or construction of major capital expenditures not being financed by the proprietary fund.

The District reports the following internal service fund:

The Insurance Fund accounts for the District's self-insured health plan for employees and other employee benefits, funded by charges to the various departments of the District and by employee and retiree contributions.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days for property taxes and most other revenues). The District recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related liability is incurred. Principal and interest on general long-term debt are recorded as expenditures become due.

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



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

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

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

The District reports unavailable/deferred/unearned revenue on its financial statements. Unavailable/deferred/unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period for governmental funds or earned at the government-wide level. Deferred/unearned revenue also arise when resources are received by the District before it has legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met, or when the District has a legal claim to the resources by meeting all eligibility requirements, the liability for unavailable/deferred/unearned revenue is removed from the financial statements and revenue is recognized.

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

e. Cash and Investments

Cash represents cash and cash equivalents which include cash and demand deposits.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased 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. At December 31, 2016, the District held no investments required to be reported at fair value.

f. Property Taxes

Property taxes are recognized as a receivable at the time they are levied and the current taxes receivable represent the 2016 levy and prior levies still uncollected, if any.

Property taxes are levied each year in December and attach as an enforceable lien on the property as of the preceding January 1. Tax bills are prepared by the County and issued on or about May 1 of the following year, and are due and collectible on or about June 1 and September 1. The County collects the taxes and remits them periodically to the District. An allowance for uncollectible amounts has been provided on the outstanding receivable amount and is based upon past collection experience.

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

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

g. Accounts Receivable

Accounts receivable are carried at the original invoice amount, less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowances for doubtful receivables by identifying troubled accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded as revenue when received. Receivables are generally considered past due when the invoice is outstanding past the due date, typically 30 days from the billing date. Interest is not charged on past due receivables.

In the Capital Projects Fund, accounts receivable includes amounts to be drawn on bonds for capital expenditures incurred but not yet drawn as bond proceeds.

h. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (e.g., bike trails, paths, roads, bridges and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

i. Inventories and Prepaid Expenditures

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

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

j. Compensated Absences

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

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

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

k. Long-Term Obligations

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

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

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

k. Long-Term Obligations (Continued)

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

l. Net Position/Fund Balances

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

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

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

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

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

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

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

m. Interfund Transactions

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

n. Interfund Receivables/Payables

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

o. Deferred Outflows/Inflows of Resources

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

p. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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

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**2. CASH AND INVESTMENTS**

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

a. Permitted Deposits and Investments

The District's investment policy permits the District to invest in bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest, bonds and notes debentures or similar obligations of the agencies of the United States of America; interest-bearing savings accounts, certificates of deposit, time deposits or other investment constituting direct obligations of a bank as defined by the Illinois Banking Act; money market mutual funds registered under the Investment Company Act of 1940 which invest only in bonds, notes, certificates of indebtedness, treasury bills and other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest and agrees to repurchase such obligations; Illinois Funds (a money market fund created by the state legislature under the control of the State Treasurer that maintains a \$1 share value), Illinois Park District Liquid Asset Fund (a money market fund created by the state legislature under the control of the State Treasurer that maintains a \$1 share value); collateralized repurchase agreements and commercial paper for companies which are organized in the United States of America, have assets exceeding \$500,000,000, rated A1/P1 or better and have maturity of no longer than 270 days. In addition, the investment policy prohibits investments in derivatives. Investments in Illinois Funds and the Illinois Park District Liquid Asset Fund are valued at their respective share prices, the price for which the investments could be sold.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

b. Deposits with Financial Institutions

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

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

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

b. Deposits with Financial Institutions (Continued)

District's deposits with financial institutions were covered by FDIC insurance collateral in the name of the District or a letter of credit at December 31, 2016. In addition, one of the District's deposits is collateralized by a letter of credit pooled by the District's agent in one letter of credit with the Federal Home Loan Bank for all public entity deposits in that bank for which the agent is a counterparty and is monitored by a third party.

c. Investments

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell maturities on the open market prior to maturity, investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy, laddering investments with different maturity dates to ensure the District is not trapped for an extended period of time with an interest rate lower than market and limiting the maximum length of maturity of investments to three years.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity by; limiting investments to the types of securities allowed, pre-qualifying the financial institutions, broker/dealers, intermediaries and advisers with which the District will do business, diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized and limiting investments to those rated AA or higher (long-term rating) or A1/P1 or higher (short-term rating) by two Nationally Recognized Statistical Rating Organizations. Illinois Funds and the Illinois Park District Liquid Asset Fund are rated AAAm.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the District's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the District's agent separate from where the investment was purchased. Illinois Funds and the Illinois Park District Liquid Asset Fund are not subject to custodial credit risk.

Concentration of credit risk - The District limits its exposure to concentration of credit risk by requiring diversification of securities whereby no more than 50% of the portfolio may be invested in a single instrument and by emphasizing the diversification of maturities. Additionally no more than 33% of the portfolio can be invested in commercial paper and no more than \$20 million can be invested in one company.

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

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**3. LONG-TERM RECEIVABLE**

The District has a long-term receivable in the General and Capital Projects Funds, due from the Burpee Museum of Natural History in the amount of \$104,020 that is for the repayment of an advance made by the District during the year ended December 31, 2013 to assist the museum with a cash flow shortfall with respect to services in connection with Burpee Museum's exhibit commonly known as "Rick's Picks." This advance will be repaid with future museum fund distributions at the rate of \$13,000 per year for ten years beginning in January 2015.

The District also has long-term receivables in connection with naming rights agreements reported in the Recreation Fund in the amount of \$8,609,280. These agreements give third parties the right to name Sportscore I and Sportscore II and the new downtown facility. Naming rights revenue is considered earned when the naming rights usage takes place.

**4. RECLAIMING FIRST INITIATIVE**

The District, Winnebago County, the City of Rockford, the City of Loves Park, the Village of Machesney Park, the Village of Cherry Valley, the Village of Rockton, the Village of Roscoe and the City of South Beloit entered into an intergovernmental agreement to authorize Winnebago County to levy a hotel tax to be administered by WCRTFB. WCRTFB will direct the use of hotel tax revenues collected and other revenue pledged by the member governments to the District's Reclaiming First Initiative whose purpose is to enhance amateur sports tournament and recreation venues within Winnebago County.

During the year ended December 31, 2014, the District issued \$10,000,000 General Obligation Park (Alternate Revenue Source) Bonds, Series 2014A for improvements to Indoor Soccer Center and Sportscore II for the Reclaiming First Initiative. During the year ended December 31, 2015, the District issued \$10,000,000 General Obligation Park (Alternate Revenue Source) Bonds, Series 2015A for improvements to Indoor Soccer Center and Sportscore II for the Reclaiming First Initiative. During the year ended December 31, 2016, the District issued \$7,500,000 General Obligation Park (Alternate Revenue Sources) Bonds, Series 2016 for improvements to Sportscore II for the Reclaiming First Initiative. The District has committed \$300,000 annually for 20 years towards debt service on these bonds.

The following describes the long-term commitments made by other governments in connection with the Reclaiming First Initiative:

The District has a long-term receivable due from the City of Loves Park with an original amount due of \$2,890,000 that was pledged to provide funding for the Reclaiming First Initiative. This will be paid at the rate of \$150,000 for the first year and \$170,000 per year for 19 years beginning in January 2015. The balance as of December 31, 2016 was \$2,720,000.



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

**4. RECLAIMING FIRST INITIATIVE (Continued)**

The District has a long-term receivable due from Winnebago County with an original amount due of \$7,000,000 that was pledged to provide funding for the Reclaiming First Initiative. This will be paid at the rate of \$350,000 per year for 20 years beginning on November 1, 2014. The balance as of December 31, 2016 was \$5,950,000.

**5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 22,778,684	\$ -	\$ -	\$ 22,778,684
Construction in progress	19,091,014	14,944,998	16,024,248	18,011,764
Total capital assets not being depreciated	41,869,698	14,944,998	16,024,248	40,790,448
Capital assets being depreciated				
Intangible assets	321,935	93,167	-	415,102
Fine art	335,153	-	-	335,153
Land improvements	28,082,867	12,601,501	7,410	40,676,958
Vehicles	2,088,385	334,080	223,390	2,199,075
Infrastructure	14,877,008	257,912	-	15,134,920
Administrative equipment	3,275,590	62,885	7,227	3,331,248
Recreation equipment and structure	35,594,440	1,925,711	2,114,729	35,405,422
Buildings and improvements	49,251,272	2,297,352	21,525	51,527,099
Total capital assets being depreciated	133,826,650	17,572,608	2,374,281	149,024,977
Less accumulated depreciation for				
Intangible assets	289,936	40,054	-	329,990
Fine art	69,785	15,508	-	85,293
Land improvements	16,227,538	1,166,662	7,410	17,386,790
Vehicles	1,548,084	171,514	200,229	1,519,369
Infrastructure	9,821,656	376,023	-	10,197,679
Administrative equipment	2,996,311	82,009	7,227	3,071,093
Recreation equipment and structure	26,631,776	1,112,817	1,255,291	26,489,302
Buildings and improvements	21,932,958	1,571,858	21,525	23,483,291
Total accumulated depreciation	79,518,044	4,536,445	1,491,682	82,562,807
Total capital assets being depreciated, net	54,308,606	13,036,163	882,599	66,462,170
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 96,178,304</b>	<b>\$ 27,981,161</b>	<b>\$ 16,906,847</b>	<b>\$ 107,252,618</b>

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

**5. CAPITAL ASSETS (Continued)**

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

GOVERNMENTAL ACTIVITIES	
Park operations	\$ 1,021,919
Recreation operations	
Facilities	2,645,894
Programs	55,104
Therapeutic operations	17,508
Museum operations	503,190
Police protection	47,941
Administration	<u>244,889</u>
 TOTAL DEPRECIATION/AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	 <u>\$ 4,536,445</u>

Construction Commitments

The District has active construction in projects as of December 31, 2016. The projects included Sportscore II improvements and various other improvement projects. At year end, the District's commitments with contractors are as follows:

Project	Commitment
Mega Center	\$ 2,926,636
Aqua Loop/Tot Pool	1,611,100
Aqua Loop/Tot Pool	561,146
Train Exhibit	<u>69,710</u>
 Total	 <u>\$ 5,168,592</u>

**6. INDIVIDUAL FUND DISCLOSURES**

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

Fund	Transfer In	Transfers Out
General	\$ 3,140,819	\$ 412,545
Recreation	349,314	4,147,949
Capital projects	1,470,027	1,667
Nonmajor governmental	<u>159,198</u>	<u>557,197</u>
 TOTAL	 <u>\$ 5,119,358</u>	 <u>\$ 5,119,358</u>

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

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**6. INDIVIDUAL FUND DISCLOSURES (Continued)**

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

- \$3,103,870 transferred from the Recreation Fund to the General Fund for normal administrative, operational and maintenance costs. This amount will not be repaid.
- \$939,119 transferred from the Recreation Fund to the Capital Projects Fund for bond payments not fully funded within the Capital Projects Fund and capital projects. These transfers will not be repaid.
- \$300,000 transferred from the Capital Projects Fund to the Recreation Fund to reimburse SportsFactory startup costs. This transfer will not be repaid.
- \$430,000 transferred from Nonmajor Governmental Funds to the Capital Projects Fund for bond payments not fully funded within the Capital Projects Fund. This transfer will not be repaid.
- \$288,066 transferred to the Capital Projects Fund from the General Fund for capital projects. This transfer will not be repaid.

**7. LONG-TERM DEBT**

a. General Obligation Bonds

The outstanding general obligation bonds as of December 31, 2016, consist of the following:

	Purpose	Balance December 31,	Current Portion
2008 Series B Bonds, due in varying annual amounts through December 15, 2019, semiannual interest at 3.50% to 4.25%.	Capital Improvements Magic Waters	\$ 700,000	\$ 250,000
2009 Series B Bonds, due in varying annual amounts through December 15, 2021, semiannual interest at 3% to 4%.	Museum Improvements	1,175,000	215,000

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

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

a. General Obligation Bonds (Continued)

	Purpose	Balance December 31,	Current Portion
2010 Series C Bonds, due in varying annual amounts through December 15, 2017, semiannual interest at 0.75% to 3.00%.	Refunding of 2001B Bonds	\$ 120,000	\$ 120,000
2011 Bonds, due in varying annual amounts through December 30, 2025, semiannual interest at 3.00% to 4.75%.	Refunding of 2003B Bonds, 2008B Bonds and Capital Improvements	2,660,000	75,000
2011 Series A Bonds, due in varying annual amounts through December 15, 2021, semiannual interest at 2.77%.	Various Capital Improvements	665,000	100,000
2014 Series A Bonds, interest paid monthly through August 15, 2016, thereafter due in varying semiannual amounts through October 15, 2034, semiannual interest at 4.05%.	Rehabilitation, Improvements and Extensions to and Equipping of Sportscore II	9,914,750	38,277
2015 Series Bonds, interest paid monthly through August 15, 2016, thereafter due in varying semiannual amounts through December 15, 2034, with final payment due January 8, 2035 semiannual interest at 3.89%.	Rehabilitation, Improvements and Extensions to and Equipping of Sportscore II	9,907,249	60,200
2016 Series Bonds, interest paid monthly through August 15, 2017, thereafter due in varying semiannual amounts through December 15, 2034, with final payment due December 15, 2034 semiannual interest at 4.05%.	Rehabilitation, Improvements and Extensions to and Equipping of Sportscore II	3,370,944	-

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

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

a. General Obligation Bonds (Continued)

	Purpose	Balance December 31,	Current Portion
2016 A Series Bonds, interest paid semiannually through December 15, 2030, thereafter due in varying semiannual amounts through December 15, 2034, semiannual interest at 3.00% to 3.25%.	Repairing and Improvements to Magic Waters	\$ 2,370,000	\$ -
2016 B Series Bonds, interest paid semiannually through December 15, 2026, thereafter due in varying semiannual amounts through December 15, 2030, semiannual interest at 3% to 4%.	Repairing and Improvements to Magic Waters and A partial refunding of 2011 Bonds	2,075,000	-
2016 C Series Bonds, due in one installment on December 15, 2017, semiannual interest at 3%.	Improvements Within the District And Refunding of 2004 C Bonds	5,285,000	5,285,000
<b>TOTAL GENERAL OBLIGATION BONDS PAYABLE</b>		<u>\$ 38,242,943</u>	<u>\$ 6,143,477</u>

Interest on general obligation bonds is due semiannually on June 15 or June 30 and December 15 or December 30 with principal payable each December 15 or December 30. The Capital Projects Fund is used to retire general obligation alternate revenue source bonds. The Debt Service Fund is used to retire general obligation bonds.

The 2016 Series Taxable General Obligation Bonds are to be paid from property taxes. The District has the following outstanding bonds that will be paid from pledged future revenues. 2008 Series B Bonds and the 2011 Series Bonds are to be paid from revenues generated by Magic Waters Theme Park of the Recreation Fund and were issued for construction and improvements to the Magic Waters Theme Park. The 2009 Series B Bonds are to be paid from revenues from the Museum Fund and were issued for general museum improvements. The 2010 Series C Bonds are to be paid from the Indoor Sports Center revenues to the Recreation Fund and were issued for the purpose of refunding the 2001 Series B Bonds, which were issued for the purpose of capital

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

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

a. General Obligation Bonds (Continued)

improvements to the Sportscore Complex. The 2004 Series C Bonds are to be paid from fees and revenues of the Recreation Fund other than Magic Waters Theme Park revenues and were issued for ice arena improvements. The 2011 Series A Bonds are to be paid from revenues generated through the Foundation contributions and were issued to partially fund the construction of the Nicholas Conservatory. The 2014 Series A, 2015 Series A, and 2016 General Obligation Bonds are to be paid from personal property replacement tax and hotel tax. These pledges will remain until all bonds are retired.

The amount of the pledges remaining as of December 31, 2016 is as follows:

Debt Issue	Pledged Revenue Source	Pledge Remaining	Commitment End Date
2008B	Magic Waters Theme Park fees	\$ 756,750	12/15/2019
2009B	Museum tax	1,320,000	12/15/2021
2010C	Indoor Sports Center fees	123,600	12/15/2017
2011	Magic Waters Theme Park fees	3,382,056	12/30/2025
2011A	Rockford Park District Foundation	729,403	12/15/2021
2014A	Personal property replacement and hotel tax	16,874,287	10/15/2034
2015	Personal property replacement and hotel tax	16,389,180	12/15/2034
2016	Personal property replacement and hotel tax	3,370,944	12/15/2034
2016A	Magic Waters Theme Park Fees	3,589,262	12/15/2034
2016B	Magic Waters Theme Park Fees	2,899,450	12/15/2030

A comparison of the pledged revenues collected and the related principal and interest expenditure for fiscal year 2016 is as follows:

Debt Issue	Pledged Revenue Source	Pledged Revenue	Principal and Interest Paid	Estimated % of Revenue Pledged
2004C	Ice arenas	\$ 1,584,296	\$ 300,974	19%
2008B	Magic Waters Theme Park fees	3,044,685	341,250	11%
2009B	Museum tax	1,435,318	265,400	18%
2010C	Indoor Sports Center fees	1,569,053	297,150	19%
2011	Magic Waters Theme Park fees	3,044,685	114,869	4%
2011A	Rockford Park District Foundation	18,421	18,421	100%
2014A	Personal property replacement and hotel tax	3,063,704	482,634	16%
2015	Personal property replacement and hotel tax	3,063,704	264,539	0%
2016	Personal property replacement and hotel tax	3,063,704	1,627	0%
2016A	Magic Waters Theme Park Fees	3,044,685	60,645	2%
2016B	Magic Waters Theme Park Fees	3,044,685	56,199	2%

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

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

a. General Obligation Bonds (Continued)

A summary of the changes in long-term obligations of the District for the year ended December 31, 2016 is as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion	Long-Term Portion
General obligation bonds	\$ 24,289,396	\$ 21,071,548	\$ 7,118,001	\$ 38,242,943	\$ 6,143,477	\$ 32,099,466
Capital lease obligation	135,666	123,623	49,792	209,497	58,745	150,752
Note payable - City of Rockford	3,600,000	-	150,000	3,450,000	150,000	3,300,000
Compensated absences	814,482	624,500	629,522	809,460	195,164	614,296
Net other postemployment benefit obligation	2,000,636	95,192	-	2,095,828	-	2,095,828
Contingent liabilities	12,000,000	-	-	12,000,000	-	12,000,000
Premium on bonds payable	37,409	127,066	87,830	76,645	8,323	68,322
Discount on bonds payable	(12,560)	-	(1,256)	(11,304)	(1,256)	(10,048)
<b>TOTAL LONG-TERM OBLIGATIONS</b>	<b>\$ 42,865,029</b>	<b>\$ 22,041,929</b>	<b>\$ 8,033,889</b>	<b>\$ 56,873,069</b>	<b>\$ 6,554,453</b>	<b>\$ 50,318,616</b>

Repayment schedules for the 2016 Series bonds have not been established as the bonds have not been fully drawn.

Compensated absences will be liquidated by several of the governmental funds. The net other postemployment benefit obligation will be paid by the General Fund. Contingent liabilities will be liquidated by the Capital Projects Fund and are discussed in Note 14.

Future principal and interest payments due on general obligation bonds are as follows:

Fiscal Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2017	\$ 6,143,477	\$ 1,382,988	\$ 7,526,465
2018	752,430	1,117,414	1,869,844
2019	781,539	1,088,035	1,869,574
2020	808,637	1,059,666	1,868,303
2021	1,005,177	1,026,356	2,031,533
2022	504,799	989,394	1,494,193
2023	524,608	967,742	1,492,350
2024	547,482	946,868	1,494,350

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

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

a. General Obligation Bonds (Continued)

Fiscal Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 574,727	\$ 920,723	\$ 1,495,450
2026	600,136	894,414	1,494,550
2027	605,762	874,988	1,480,750
2028	624,545	856,830	1,481,375
2029	652,616	832,134	1,484,750
2030	658,946	808,479	1,467,425
2031	660,528	785,197	1,445,725
2032	680,378	765,647	1,446,025
2033	709,415	740,197	1,449,612
2034	18,036,797	654,219	18,691,017
<b>TOTAL</b>	<b>\$34,871,999</b>	<b>\$16,711,291</b>	<b>\$51,583,290</b>

The District aggregate indebtedness is subject to a statutory limitation of 2.875% of its equalized assessed value. As of December 31, 2016, the statutory limit for the District was \$58,971,076. The District's outstanding debt, net of assets available for bond retirements, was \$5,285,000, leaving a legal debt margin of \$53,686,076.

The District may issue general obligation bonds without submitting the proposition of the issue in a referendum as long as the aggregate balance of bonds and notes does not exceed 0.575% of the total equalized assessed value of the District. As of December 1, 2016, this limit on the nonreferendum general obligation bonds was \$11,794,215. The District's outstanding general obligation bonds, net of the \$32,957,943 of general obligation bonds payable from alternative sources and \$386,283 available in the Debt Service Fund, total \$4,898,717, leaving a margin for additional bond issues of \$6,895,498.

During the year ended December 31, 2016, the District issued Taxable General Obligation Limited Tax Park Bonds (Alternate Revenue Source), Series 2016B to advance refund a portion of the Series 2011 Bonds. The refunding resulted in an increase of cash flows of \$335,403 and an economic loss of \$62,968.

Additionally, the District issued Taxable General Obligation Limited Tax Park Bonds, Series 2016C, to currently refund the remaining balance of the 2004 C Bonds. The refunding resulted in an increase in cash flows of \$12,326 and an economic loss of \$1,186.



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

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

a. General Obligation Bonds (Continued)

Additionally, the District issued \$7,500,000 General Obligation Park Bond Series 2016 for the purpose of providing for rehabilitation, improvements and extensions to and equipping of certain soccer field facilities commonly referred to as “Sportscore II.” The bonds are structured as draw bonds in which the bonds are subject to delivery in partial amounts as advances are requested and become the outstanding principal amount at that time. The District entered into a derivative transaction by agreeing to an interest rate cap. The interest rate as capped at 4.05% in return for the payment of a 50 basis point arranger fee paid at commitment and a 30 basis point commitment fee paid at the time of execution of the Bond Purchase Agreement and Bond Order. The commitment was signed by the District on December 1, 2015, and the bonds were closed February 24, 2016. Interest on the outstanding principal is due monthly through August 15, 2017. After August 15, 2017, semiannual payments of principal and interest are due on June 15 and December 15, beginning December 15, 2017, and ending on December 15, 2034. The bond is subject to redemption and prepayment prior to maturity, at the option of the District, on any date on or after eight years after the bonds were issued. Sources of repayment pledged include personal property replacement tax and intergovernmental revenue paid by Winnebago County from hotel taxes levied by Winnebago County.

b. Capital Lease

During the year ended December 31, 2013, the District entered into a capital lease for a truck and snow plow. The interest rate for the lease is 4.07%. The assets acquired through capital lease have a cost of \$27,195; accumulated depreciation of \$19,037 and a book value of \$8,158 at December 31, 2016.

During the year ended December 31, 2014, the District entered into a capital lease for a cargo van. The interest rate for the lease is 4.52%. The assets acquired through capital lease have a cost of \$23,194; accumulated depreciation of \$11,597 and a book value of \$11,597.

During the year ended December 31, 2015, the District entered into a capital lease for a Zamboni. The interest rate for the lease is 1.88%. The asset acquired through capital lease has a cost of \$103,263; accumulated depreciation of \$31,087 and a book value of \$72,536.

During the year ended December 31, 2016, the District entered into a capital lease for a Zamboni. The interest rate for the lease is 1.86%. The asset acquired through capital lease has a cost of \$103,623; accumulated depreciation of \$10,362 and a book value of \$93,261.

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

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

b. Capital Lease (Continued)

During the year ended December 31, 2016, the District entered into a capital lease for a transit bus. The interest rate for the lease is 2.58%. The asset acquired through capital lease has a cost of \$20,000; accumulated depreciation of \$5,000 and a book value of \$15,000.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 63,311
2018	54,286
2019	47,062
2020	32,733
2021	<u>21,852</u>
TOTAL MINIMUM LEASE PAYMENTS	219,244
Amount representing interest	<u>(9,747)</u>
Present value of minimum lease payments	<u>\$ 209,497</u>

c. Note payable - City of Rockford

The District has committed to pay the City of Rockford \$150,000 per year for 20 years, beginning 2015 through 2034, for the Ingersoll Facility renovations. The Ingersoll Facility will be transferred by the City of Rockford to the District upon completion. The balance of the commitment was \$3,450,000 as of December 31, 2016.

**8. RELATED PARTY TRANSACTIONS**

The District provides office space, equipment and support services for the Foundation. The value of such in-kind benefits to the Foundation was \$251,416. The total cost for general and administrative expenses for the Foundation was \$301,416. The Foundation reimbursed the District \$50,000 for general and administration costs.

Total general and administrative cost of the Foundation	\$ 301,416
Less reimbursement	<u>(50,000)</u>
TOTAL IN-KIND GIFT FROM THE DISTRICT	<u>\$ 251,416</u>

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

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**8. RELATED PARTY TRANSACTIONS (Continued)**

During the year ended December 31, 2016, the Foundation paid the District \$1,349,013.

General and administration	\$ 50,000
Grants	185
Programs and capital improvements	<u>1,298,828</u>
<b>TOTAL</b>	<b><u>\$ 1,349,013</u></b>

In addition, the District has a long-term receivable, offset by unavailable revenue in the capital projects fund and net position of governmental activities in the entity-wide statements, due from the Foundation in the amount of \$665,000 that is used to repay the 2011A General Obligation Alternate Revenue Source Bonds. The amounts are due in annual installments through December 31, 2021 as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount Due</u>
2017	\$ 100,000
2018	100,000
2019	100,000
2020	100,000
2021	<u>265,000</u>
<b>TOTAL</b>	<b><u>\$ 665,000</u></b>

**9. EMPLOYEE RETIREMENT SYSTEMS**

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

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Illinois Municipal Retirement Fund

*Plan Administration*

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

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

*Plan Membership*

At December 31, 2015, the latest actuarial valuation date, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	166
Inactive employees entitled to but not yet receiving benefits	158
Active employees	<u>230</u>
 TOTAL	 <u><u>554</u></u>

*Benefits Provided*

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

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

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Contributions*

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The District is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer rates for calendar years 2015 and 2016 were 10.94% and 10.68% of covered employee payroll, respectively.

*Actuarial Assumptions*

The District's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Asset valuation method	Market value

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

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

**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50% and 7.49% for the December 31, 2014 and 2015 actuarial valuations, respectively. 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 not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for the 2015 actuarial valuations for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015, to arrive at a discount rate of 7.49% used to determine the total pension liability.

*Changes in the Net Pension Liability (Asset)*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2015	\$ 54,858,831	\$ 52,425,602	\$ 2,433,229
Changes for the period			
Service cost	1,116,323	-	1,116,323
Interest	4,058,985	-	4,058,985
Difference between expected and actual experience	974,639	-	974,639
Changes in assumptions	69,460	-	69,460
Employer contributions	-	1,179,898	(1,179,898)
Employee contributions	-	494,501	(494,501)
Net investment income	-	259,828	(259,828)
Benefit payments and refunds	(2,594,373)	(2,594,373)	-
Other (net transfer)	-	359,279	(359,279)
Net changes	3,625,034	(300,867)	3,925,901
BALANCES AT DECEMBER 31, 2015	\$ 58,483,865	\$ 52,124,735	\$ 6,359,130

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2016, the District recognized pension expense of \$1,736,551. At December 31, 2015, the latest actuarial valuation date, 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	\$ 770,278	\$ 409,864
Changes in assumption	1,059,046	-
Contributions made after the measurement date	1,210,532	
Net difference between projected and actual earnings on pension plan investments	3,328,815	-
<b>TOTAL</b>	<b>\$ 6,368,671</b>	<b>\$ 409,864</b>

\$1,210,532 reported as deferred outflows or resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement period ended December 31, 2016. 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 December 31,</u>	
2017	\$ 1,295,283
2018	1,295,283
2019	1,259,096
2020	898,613
<b>TOTAL</b>	<b>\$ 4,748,275</b>

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the District calculated using the discount rate of 7.49% 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 (6.49%) or 1 percentage point higher (8.49%) than the current rate:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Net pension liability	\$ 13,918,615	\$ 6,359,130	\$ 195,975

**10. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the District provides other postemployment health care (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the District and can be amended by the District through its personnel manual. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the District's Internal Service Fund.

b. Benefits Provided

The District provides postemployment health care to its retirees. To be eligible for benefits, an employee must qualify for retirement under the District's retirement plan (IMRF) and have been employed for at least seven years with the District.

All health care benefits are provided through the District's self-insurance plan. The benefit levels are the same as those afforded to active employees; however, the retiree pays a blended premium which results in an implicit subsidy. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care, vision care, dental care and prescriptions. The benefit is available until the employee becomes Medicare eligible at the age of 65. After age 65 the retiree may continue in the District's program via a Medicare-supplement policy.



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

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At December 31, 2016, membership consisted of:

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

d. Funding Policy

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

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

For the fiscal year ended December 31, 2016, retirees contributed approximately \$200,851 and the District contributed \$21,084. The District is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The District's annual OPEB cost (expense) was \$116,276 for the year ended December 31, 2016. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2016 and two years previous is as follows:

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

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 116,276	\$ 21,084	18.10%	\$ 2,095,828
2015	361,461	-	0.00%	2,000,636
2014	339,599	112,770	33.21%	1,639,175

The net OPEB obligation (NOPEBO) as of December 31, 2016 was calculated as follows:

Annual required contribution	\$ 130,733
Interest on net OPEB obligation	80,026
Adjustment to annual required contribution	<u>(94,483)</u>
Annual OPEB cost	116,276
Contributions made	<u>(21,084)</u>
Increase in net OPEB obligation	95,192
Net OPEB obligation, beginning of year	<u>2,000,636</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<u><u>\$ 2,095,828</u></u>

Funded Status and Funding Progress. The funded status of the plan as of January 1, 2017 was as follows:

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

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

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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

In the January 1, 2017 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an initial healthcare cost trend rate of 8% decreasing to an ultimate rate of 4%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the District has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2016 was 30 years.

**11. RISK MANAGEMENT**

The District is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health; injuries to employees and net income losses. The District is a member of the Park District Risk Management Agency (PDRMA), a risk management pool of park and forest preserve districts and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials' and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

In the event losses exceeded the per occurrence self-insured and reinsurance limit, the District would be liable for the excess amount. PDRMA's Board of Directors evaluates the aggregate self-insured limit annually.

As a member of PDRMA, the District is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body. The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, to cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

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

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**11. RISK MANAGEMENT (Continued)**

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

Since 87% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually as more recent loss information becomes available.

Complete financial statements for PDRMA can be obtained from the PDRMA's administration offices at 2033 Burlington Avenue, Lisle, Illinois.

The District maintains a partial self-insurance plan to cover the risks of health claims and has retained the services of an outside agency to administer its self-insurance claims. The District does not assume unlimited liability for health claims as it maintains a stop-loss coverage which covers medical expenses in excess of negotiated limits. Specific and aggregate stop-loss excess risk benefit coverage insurance was obtained in the amounts of \$60,000 and \$1,000,000 respectively, in addition to an administrative services contract to administer the plan. Costs of administration and claims for health insurance are charged to the Internal Services Fund as expenses when they are incurred.

The changes in claims and judgments are as follows:

	2016	2015
CLAIMS PAYABLE, JANUARY 1	\$ 631,972	\$ 743,710
Add: Claims incurred/premiums	2,604,189	2,998,101
Less: Claim paid/dismissed	<u>(2,694,466)</u>	<u>(3,109,839)</u>
CLAIMS PAYABLE, DECEMBER 31	<u>\$ 541,695</u>	<u>\$ 631,972</u>

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

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**12. OPERATING LEASE**

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 8,033
<b>TOTAL</b>	<b>\$ 8,033</b>

**13. RENTAL INCOME**

The District leases building space to four tenants under the terms of operating leases. Monthly rental income for the year ended December 31, 2016 is approximately \$17,042 for the four leases, with scheduled rent increases each January 1 throughout the term of two of the leases. There are varied lease terms through December 2023.

The total rental income recognized by the District for the year ended December 31, 2016 was \$204,499.

Future minimum lease payments to be received by the District as of December 31, 2016 are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 190,511
2018	185,521
2019	194,090
2020	196,364
2021	165,437
2022-2023	139,700
<b>TOTAL</b>	<b>\$ 1,071,623</b>

The cost of the buildings being leased is \$1,759,847, accumulated depreciation is \$1,178,123, resulting in a \$581,724 book value, as of December 31, 2016.

**14. CONTINGENCIES AND COMMITMENTS**

On December 2, 2015, the District concluded its negotiations with the Illinois EPA and the Attorney General's Office and entered into a Consent Order settling the cleanup responsibilities of the District. Legal counsel has determined that the amount the District will be required to spend on clean up is between \$9,000,000 and \$10,000,000 over the term of the required remediation. The actual cost of remediation cannot be determined until the work is bid, awarded and completed as unanticipated costs overruns are expected to occur. The District has estimated its share of the cleanup costs to be \$12,000,000 after recoveries from insurance and other related parties. The District has recorded a liability on the government-wide financial statement of net position of \$12,000,000. At this time, the District does not have sufficient information to meet the cash flow technique required by GASB Statement No. 49.

There are also other claims against the District, the ultimate outcome of which cannot be determined at this time. Management, through consultation with legal counsel, does not believe that the potential loss to the District for claims not covered by insurance would materially affect the basic financial statements of the District. However, there is a potential loss on current claims that may not be covered by insurance. The District is currently appealing the denial of coverage and expects a favorable outcome.

**15. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION**

Nature of Business and Summary of Significant Accounting Policies

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

The Foundation is operated in conjunction with, and primarily for the benefit of the Rockford Park District (the District). The Foundation was established to support the operations and facilities of the District, to solicit and receive gifts, grants and bequests of real and personal property and to make contributions, grants, gifts and transfers of property for the benefit of the District or others associated with the District. The Foundation by-laws provide that the number of directors be not less than 10 or more than 40 and that one of the Directors shall be the President of the District Board of Commissioners or any other Park District Commissioner the President appoints. The Foundation is subsidized by the District for general and administrative expenses, which is included in the statement of activities as in-kind contributions from the District.

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

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**15. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)**

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

a. Accounting and Reporting Basis

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

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

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

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

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

b. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, including functional allocations during the reporting period. Accordingly, actual results could differ from those estimates.

c. Cash and Cash Equivalents

Cash and cash equivalents includes demand deposits and highly liquid investments in various checking and money market accounts that are readily convertible to known amounts of cash. The Foundation's depository accounts from time-to-time may exceed FDIC insured limits.

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

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**15. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)**

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

d. Restricted Cash

The Foundation has restricted cash which consists of pledges received for the purpose of paying the long-term liability related to the construction of the Nicholas Conservatory and Gardens. Restricted cash is \$985,656 and \$926,376 as of December 31, 2016 and 2015, respectively.

e. Accounts Receivable

Accounts receivable are carried at the original invoice amount, less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful receivables by identifying troubled accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded as revenue when received. Receivables are generally considered past due when the invoice is outstanding past the due date, typically 30 days from the billing date. Interest is not charged on past due receivables.

f. Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported in unrestricted net assets unless the use of the related assets is limited by the donor-imposed restrictions. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Management determines the allowance for doubtful contributions receivable by identifying troubled donors. Contributions receivable are written off when deemed uncollectible. Recoveries of contributions previously written off are recorded as revenue when received.

The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.



**15. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)**

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

g. Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An estimate made for uncollectible pledges is based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible pledges by regularly evaluating individual receivables and considering a donor's financial condition and current economic conditions. Pledges receivable are written off when deemed uncollectible. Recoveries of pledges receivable previously written off are recorded when received. Interest on outstanding receivables is not charged.

h. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law. The Foundation has a 50% equity investment in a limited liability company (LLC). Based on donor's restrictions, the Foundation's proportionate income or loss allocated from the LLC, if any, is included in changes in temporarily restricted net assets.

i. Fair Value Measurements

The Financial Accounting Standards Board (FASB) guidance on fair value measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

**15. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)**

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

i. Fair Value Measurements (Continued)

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full-term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies consistently used for assets measured at fair value.

Investments in registered investment companies (mutual funds): Valued at the net asset value (NAV) of shares held by the Foundation at year end.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

j. Real Estate Held for Donation

Real estate held for donation consists of land and buildings that were donated or purchased with the intent that the property will be held until it can be used by the District. Real estate is recorded at its estimated fair market value at the date of donation or cost at the date of purchase. At the date of donation to the District the property is recorded as a donation expense.

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

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**15. COMPONENT UNIT - ROCKFORD PARK DISTRICT FOUNDATION (Continued)**

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

k. Property and Equipment

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

l. In-Kind Donated Services and Facilities

The Foundation receives donated services and facility expenses during the year which are recorded in the statement of activities as in-kind contributions from the Foundation at their fair value. The District is the donor of such services and facilities to the Foundation.

m. Functional Allocation of Expenses

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

**16. SERVICE CONCESSION ARRANGEMENT**

In January of 2016, the District entered into an arrangement with an operator to lease the restaurant and bar area of the Aldeen Golf Club and Practice Centre. The District's objective for entering into the agreement was to obtain an operator for the facilities that is knowledgeable in the field of food operations, catering and food service. The District will lease the premises, including all equipment to the operator for a term of five years, with an option to renew in one-year increments thereafter. The rental fee is recognized as a percentage of gross receipts of the operations, which includes all income of normal business, as well as special events that are hosted on the premises. The District recognized rental revenue in the amount of \$39,450 related to this arrangement.

**17. PRIOR PERIOD ADJUSTMENT AND CHANGE IN ACCOUNTING PRINCIPLES**

In 2015, the District adopted Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*.

The new standards require the District to recognize a liability, deferred inflow and deferred outflow in its government-wide financial statements for the net pension liability associated with its pension plan(s).

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

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**17. PRIOR PERIOD ADJUSTMENT AND CHANGE IN ACCOUNTING PRINCIPLE**  
**(Continued)**

In 2016, the District made a determination to report information from the December 31, 2015 actuarial evaluation from IMRF in order to continue its dedication to timely financial reporting. Therefore, the related accounts were restated for the prior year to reflect the net pension liabilities and deferred outflows from December 31, 2014.

Additionally, the District has recorded a prior period adjustment for a capital asset restatement.

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

	<u>Increase (Decrease)</u>
<b>GOVERNMENTAL ACTIVITIES</b>	
Change in accounting principle	
To record the IMRF net pension liability	\$ 526,018
Prior period adjustment	
Restatement - capital assets	<u>997,174</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$ 1,523,192</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 6,472,746	\$ 6,472,746	\$ 6,465,080	\$ (7,666)
Other taxes	303,309	303,309	276,831	(26,478)
Fees and admissions	322,314	322,314	321,834	(480)
Investment income	5,500	5,500	9,211	3,711
Miscellaneous income	67,021	67,021	88,965	21,944
	<hr/>			
Total revenues	7,170,890	7,170,890	7,161,921	(8,969)
<hr/>				
<b>EXPENDITURES</b>				
Current				
Park operations	4,194,534	4,126,547	4,125,429	(1,118)
Administration	5,844,321	5,528,453	5,527,669	(784)
	<hr/>			
Total expenditures	10,038,855	9,655,000	9,653,098	(1,902)
<hr/>				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,867,965)	(2,484,110)	(2,491,177)	(7,067)
<hr/>				
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,129,187	3,140,545	3,140,819	274
Transfers (out)	(261,222)	(412,545)	(412,545)	-
	<hr/>			
Total other financing sources (uses)	2,867,965	2,728,000	2,728,274	274
<hr/>				
NET CHANGE IN FUND BALANCE	\$ -	\$ 243,890	237,097	\$ (6,793)
<hr/>				
FUND BALANCE, JANUARY 1			3,071,514	
<hr/>				
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 3,308,611</b>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 6,423,781	\$ 6,423,781	\$ 6,424,467	\$ 686
Other taxes	859,377	859,377	784,356	(75,021)
Intergovernmental	749,394	749,394	765,526	16,132
Fees and admissions	10,631,130	10,631,130	10,255,613	(375,517)
Investment income	100	100	1,872	1,772
Miscellaneous income	1,035,309	1,035,309	834,847	(200,462)
Total revenues	<u>19,699,091</u>	<u>19,699,091</u>	<u>19,066,681</u>	<u>(632,410)</u>
<b>EXPENDITURES</b>				
Current				
Recreation operations				
Facilities	12,056,060	11,611,510	11,445,618	(165,892)
Programs	3,791,989	3,835,490	3,781,442	(54,048)
Total expenditures	<u>15,848,049</u>	<u>15,447,000</u>	<u>15,227,060</u>	<u>(219,940)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>3,851,042</u>	<u>4,252,091</u>	<u>3,839,621</u>	<u>(412,470)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	18,500	349,500	349,314	(186)
Transfers (out)	(3,869,542)	(4,148,500)	(4,147,949)	551
Total other financing sources (uses)	<u>(3,851,042)</u>	<u>(3,799,000)</u>	<u>(3,798,635)</u>	<u>365</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 453,091</u>	40,986	<u>\$ (411,919)</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>-</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 40,986</u>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

December 31, 2016

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2011	\$ 99,899	\$ 327,110	30.54%
2012	99,899	327,110	30.54%
2013	39,890	410,144	9.73%
2014	112,770	352,417	32.00%
2015*	-	352,417	0.00%
2016	21,084	130,733	16.13%

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



**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

December 31, 2016

	<b>2015</b>	<b>2016</b>
Actuarially determined contribution	\$ 1,179,898	\$ 1,210,532
Contributions in relation to the actuarially determined contribution	1,179,898	1,210,532
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	\$ -	\$ -
Covered-employee payroll	\$ 10,783,924	\$ 11,330,087
Contributions as a percentage of covered-employee payroll	10.94%	10.68%

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 28 years; the asset valuation method was five-year smoothed market and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 4.40% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

This information is presented as of the government's fiscal year end, rather than the measurement date of the plan as presented.

These schedules are intended to present information for a ten year period. As updated information becomes available, additional years will be presented.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

**SCHEDULE OF FUNDING PROGRESS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2016

<b>Actuarial Valuation Date December 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	\$ -	\$ 4,334,942	0.00%	\$ 4,334,942	\$ 9,565,864	45.32%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	3,506,297	0.00%	3,506,297	10,223,810	34.30%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	856,996	0.00%	856,996	9,813,659	8.73%

N/A - Information is not available as no actuarial valuation was performed as of December 31, 2015, 2013 and 2011.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

December 31, 2016

<b>MEASUREMENT DATE</b>	<b>2014</b>	<b>2015</b>
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 1,141,037	\$ 1,116,323
Interest	3,796,960	4,058,985
Changes of benefit terms	-	-
Differences between expected and actual experience	(699,746)	974,639
Changes of assumptions	1,714,348	69,460
Benefits payments, including refunds of member contributions	(2,298,770)	(2,594,373)
Net change in total pension liability	3,653,829	3,625,034
Total pension liability - beginning	51,205,002	54,858,831
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 54,858,831</b>	<b>\$ 58,483,865</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 1,178,537	\$ 1,179,898
Contributions - member	457,530	494,501
Net investment income	3,071,467	259,828
Benefit payments, including refunds of member contributions	(2,298,770)	(2,594,373)
Other	(666,433)	359,279
Net change in plan fiduciary net position	1,742,331	(300,867)
Plan fiduciary net position - beginning	50,683,271	52,425,602
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 52,425,602</b>	<b>\$ 52,124,735</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 2,433,229</b>	<b>\$ 6,359,130</b>
Plan fiduciary net position as a percentage of the total pension liability	95.56%	89.13%
Covered-employee payroll	\$ 10,245,500	\$ 10,783,924
Employer's net pension liability as a percentage of covered-employee payroll	23.75%	58.97%

Changes in assumptions related to retirement age and mortality were made in 2015.

These schedules are intended to present information for a ten year period. As updated information becomes available, additional years will be presented.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

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**BUDGET AND BUDGETARY ACCOUNTING**

The District follows these procedures in establishing the budgetary data reflected in the required supplementary information.

The District adopts its budget and appropriation ordinance on an annual basis. This budget and appropriation ordinance is prepared in accordance with state law which requires a public hearing and making the tentative budget and appropriation ordinance available for public inspection at least 30 days prior to adoption by the Board of Commissioners.

Budgeted revenues are based on estimates approved by the Board of Commissioners. The District's operations are organized as recreational park programs. The amounts budgeted for each department's expenditure object classification (i.e., personnel cost, employee benefits, commodities, services, capital outlays and debt service) are accumulated to a total for the fund. Expenditures may not legally exceed the amount appropriated for each object classification within each fund. The Board of Commissioners, after the first six months of the year, may make transfers between these object classifications while retaining the total appropriation for the fund. The Board of Commissioners also may adjust the appropriation amount by following the same procedure as required for the original appropriation.

All appropriations of the District lapse at the end of each calendar year. Budgetary information included in financial statements represents amounts approved by the Board of Commissioners as identified in the final amended budget. The departmental budget and fund appropriations presented in the financial statements are presented in accordance with generally accepted accounting principles as they are based upon the modified accrual basis of accounting. Budgets and appropriations were adopted for all funds, except the Working Cash Fund.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULE**

**MAJOR GOVERNMENTAL FUNDS**

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 6,472,746	\$ 6,472,746	\$ 6,465,080	\$ (7,666)
Other taxes	303,309	303,309	276,831	(26,478)
Fees and admissions	322,314	322,314	321,834	(480)
Investment income	5,500	5,500	9,211	3,711
Miscellaneous income	67,021	67,021	88,965	21,944
<b>Total revenues</b>	<b>7,170,890</b>	<b>7,170,890</b>	<b>7,161,921</b>	<b>(8,969)</b>
<b>EXPENDITURES</b>				
Current				
Personnel costs	5,560,762	5,616,000	5,615,655	(345)
Employee benefits	1,250,352	1,008,000	1,007,773	(227)
Commodities	660,701	680,000	679,385	(615)
Professional services	2,567,040	2,351,000	2,350,285	(715)
<b>Total expenditures</b>	<b>10,038,855</b>	<b>9,655,000</b>	<b>9,653,098</b>	<b>(1,902)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,867,965)</b>	<b>(2,484,110)</b>	<b>(2,491,177)</b>	<b>(7,067)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,129,187	3,140,545	3,140,819	274
Transfers (out)	(261,222)	(412,545)	(412,545)	-
<b>Total other financing sources (uses)</b>	<b>2,867,965</b>	<b>2,728,000</b>	<b>2,728,274</b>	<b>274</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 243,890</b>	<b>237,097</b>	<b>\$ (6,793)</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>3,071,514</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 3,308,611</b>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 6,423,781	\$ 6,423,781	\$ 6,424,467	\$ 686
Other taxes	859,377	859,377	784,356	(75,021)
Intergovernmental	749,394	749,394	765,526	16,132
Fees and admissions	10,631,130	10,631,130	10,255,613	(375,517)
Investment income	100	100	1,872	1,772
Miscellaneous income	1,035,309	1,035,309	834,847	(200,462)
<b>Total revenues</b>	<b>19,699,091</b>	<b>19,699,091</b>	<b>19,066,681</b>	<b>(632,410)</b>
<b>EXPENDITURES</b>				
Current				
Personnel costs	8,943,459	8,941,000	8,940,761	(239)
Employee benefits	1,065,078	907,000	852,094	(54,906)
Commodities	2,505,762	2,353,000	2,406,804	53,804
Professional services	3,333,750	3,246,000	3,027,401	(218,599)
<b>Total expenditures</b>	<b>15,848,049</b>	<b>15,447,000</b>	<b>15,227,060</b>	<b>(219,940)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,851,042</b>	<b>4,252,091</b>	<b>3,839,621</b>	<b>(412,470)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	18,500	349,500	349,314	(186)
Transfers (out)	(3,869,542)	(4,148,500)	(4,147,949)	551
<b>Total other financing sources (uses)</b>	<b>(3,851,042)</b>	<b>(3,799,000)</b>	<b>(3,798,635)</b>	<b>365</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 453,091</b>	<b>40,986</b>	<b>\$ (411,919)</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>-</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 40,986</b>	

(See independent auditor's report.)



**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 5,431,181	\$ 5,431,181	\$ 5,432,443	\$ 1,262
Investment income	2,200	2,200	8,021	5,821
Total revenues	<u>5,433,381</u>	<u>5,433,381</u>	<u>5,440,464</u>	<u>7,083</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	5,100,000	5,100,000	5,100,000	-
Interest and fiscal charges	386,542	386,587	386,587	-
Total expenditures	<u>5,486,542</u>	<u>5,486,587</u>	<u>5,486,587</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (53,161)</u>	<u>\$ (53,206)</u>	<u>(46,123)</u>	<u>\$ 7,083</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>432,406</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 386,283</u>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<b>REVENUES</b>				
Intergovernmental	\$ 2,397,955	\$ 2,397,955	\$ 2,421,359	\$ 23,404
Local donations	457,456	457,456	596,641	139,185
Fees and admissions	50,000	50,000	53,208	3,208
Investment income	4,000	4,000	17,345	13,345
Miscellaneous income	-	-	372,352	372,352
<b>Total revenues</b>	<b>2,909,411</b>	<b>2,909,411</b>	<b>3,460,905</b>	<b>551,494</b>
<b>EXPENDITURES</b>				
Current				
Personnel costs	473,771	477,000	476,063	(937)
Employee benefits	97,034	80,000	79,559	(441)
Commodities	6,600	6,500	6,500	-
Professional services	414,917	3,491,000	3,490,764	(236)
Capital outlay	29,069,251	16,488,000	16,337,161	(150,839)
Debt service				
Principal	1,730,000	2,155,048	1,172,793	(982,255)
Interest and fiscal charges	1,086,182	1,285,952	1,285,952	-
Payment to refunding escrow agent	-	-	296,527	296,527
<b>Total expenditures</b>	<b>32,877,755</b>	<b>23,983,500</b>	<b>23,145,319</b>	<b>(838,181)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(29,968,344)</b>	<b>(21,074,089)</b>	<b>(19,684,414)</b>	<b>1,389,675</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,247,263	1,468,000	1,470,027	2,027
Transfers (out)	-	-	(1,667)	(1,667)
Issuance of bonds	27,111,000	27,111,000	21,071,548	(6,039,452)
Payment to refunding escrow agent	-	-	(835,062)	(835,062)
Premium on issuance of bonds	-	-	127,066	127,066
Issuance of capital lease obligation	-	-	123,623	123,623
Insurance proceeds	600,000	600,000	114,817	(485,183)
Proceeds from the sale of capital assets	2,000	2,000	14,875	12,875
<b>Total other financing sources (uses)</b>	<b>28,960,263</b>	<b>29,181,000</b>	<b>22,085,227</b>	<b>(7,095,773)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,008,081)</b>	<b>\$ 8,106,911</b>	<b>2,400,813</b>	<b>\$ (5,706,098)</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>3,087,078</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 5,487,891</b>	

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Museum Fund - to account for the operations of the District's museums. Financing is provided by a specific annual property tax levy restricted for museum purposes.

Police Protection Fund - to account for property taxes restricted statute for providing public safety at the parks, playgrounds and other facilities maintained by the District.

Employee Benefit Fund - to account for the activities resulting from the District's participation in the IMRF and funding for the District's social security expenditures. Financing is provided by a specific annual restricted property tax levy.

Liability Insurance Fund - to account for the expenditures in connection with the District's liability insurance costs. Financing is provided from an annual restricted property tax levy.

Audit Fund - to account for the expenditures in connection with the District's annual financial and compliance audit, which is mandated by state statute. Financing is provided from an annual restricted property tax levy.

Special Recreation Fund - to account for the expenditure in connection with the District's participation in the special recreation activities, which provides recreation programs to the handicapped and impaired. Financing is provided from an annual restricted property tax levy.

### **PERMANENT FUND**

Working Cash Fund - to account for the working cash funds of the District which are required by statute to be used to provide short-term cash loans to other operating funds of the District.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2016

	<b>Special Revenue</b>			
	<b>Museum</b>	<b>Police Protection</b>	<b>Employee Benefit</b>	<b>Liability Insurance</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Cash	\$ 31,123	\$ 12,170	\$ 67,891	\$ 92,348
Investments	540,139	211,215	1,178,225	1,602,672
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	1,426,912	509,611	1,905,965	850,000
Accounts	-	-	-	-
Accrued interest	95	37	208	283
<b>Total assets</b>	<b>1,998,269</b>	<b>733,033</b>	<b>3,152,289</b>	<b>2,545,303</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,998,269</b>	<b>\$ 733,033</b>	<b>\$ 3,152,289</b>	<b>\$ 2,545,303</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 7,862	\$ 523	\$ 216,481
Accrued payroll	-	-	207,741	-
Due to other governments	-	91,419	67,868	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>99,281</b>	<b>276,132</b>	<b>216,481</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	1,426,912	509,611	1,905,965	850,000
<b>Total deferred inflows of resources</b>	<b>1,426,912</b>	<b>509,611</b>	<b>1,905,965</b>	<b>850,000</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>1,426,912</b>	<b>608,892</b>	<b>2,182,097</b>	<b>1,066,481</b>
<b>FUND BALANCES</b>				
Restricted for museum operations	569,930	-	-	-
Restricted for police protection	-	7,355	-	-
Restricted for employee benefits	-	-	970,192	-
Restricted for liability insurance	-	-	-	1,478,822
Restricted for audit	-	-	-	-
Restricted for working cash	-	-	-	-
Restricted for special recreation	-	-	-	-
Unrestricted				
Assigned for museum operations	1,427	-	-	-
Assigned for police protection	-	116,786	-	-
Assigned for audit	-	-	-	-
Assigned for special recreation	-	-	-	-
<b>Total fund balances</b>	<b>571,357</b>	<b>124,141</b>	<b>970,192</b>	<b>1,478,822</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,998,269</b>	<b>\$ 733,033</b>	<b>\$ 3,152,289</b>	<b>\$ 2,545,303</b>

<u>Special Revenue</u>		<u>Permanent</u>	
<u>Audit</u>	<u>Special Recreation</u>	<u>Working Cash</u>	<u>Total</u>
\$ 3,507	\$ 81,515	\$ 38,776	\$ 327,330
60,867	1,414,675	672,940	5,680,733
57,850	815,378	-	5,565,716
-	1,016	-	1,016
11	250	118	1,002
122,235	2,312,834	711,834	11,575,797
-	-	-	-
-	-	-	-
\$ 122,235	\$ 2,312,834	\$ 711,834	\$ 11,575,797
\$ 8,100	\$ 9,556	\$ -	\$ 242,522
-	-	-	207,741
-	-	-	159,287
-	1,893	-	1,893
8,100	11,449	-	611,443
57,850	815,378	-	5,565,716
57,850	815,378	-	5,565,716
65,950	826,827	-	6,177,159
-	-	-	569,930
-	-	-	7,355
-	-	-	970,192
-	-	-	1,478,822
55,867	-	-	55,867
-	-	711,834	711,834
-	1,476,179	-	1,476,179
-	-	-	1,427
-	-	-	116,786
418	-	-	418
-	9,828	-	9,828
56,285	1,486,007	711,834	5,398,638
\$ 122,235	\$ 2,312,834	\$ 711,834	\$ 11,575,797

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	Special Revenue			
	Museum	Police Protection	Employee Benefit	Liability Insurance
<b>REVENUES</b>				
Property taxes	\$ 1,421,342	\$ 507,626	\$ 1,717,772	\$ 777,665
Other taxes	-	692,079	553,663	-
Intergovernmental	-	1,588	-	-
Fees and admissions	-	23,319	-	-
Investment income	1,654	779	4,097	5,530
Miscellaneous income	-	-	-	-
Total revenues	1,422,996	1,225,391	2,275,532	783,195
<b>EXPENDITURES</b>				
Current				
Park operations	-	-	366,996	114,205
Recreation operations				
Facilities	-	-	909,836	405,026
Programs	-	-	437,260	124,579
Therapeutic operations	-	-	86,121	34,637
Museum operations	969,873	-	-	-
Police protection	-	1,341,851	148,402	34,637
Administration	-	-	479,109	103,830
Total expenditures	969,873	1,341,851	2,427,724	816,914
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	453,123	(116,460)	(152,192)	(33,719)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	106,671	34,530	-
Transfers (out)	(455,317)	-	-	-
Total other financing sources (uses)	(455,317)	106,671	34,530	-
<b>NET CHANGE IN FUND BALANCES</b>	(2,194)	(9,789)	(117,662)	(33,719)
<b>FUND BALANCES, JANUARY 1</b>	573,551	133,930	1,087,854	1,512,541
<b>FUND BALANCES, DECEMBER 31</b>	\$ 571,357	\$ 124,141	\$ 970,192	\$ 1,478,822

<b>Special Revenue</b>		<b>Permanent</b>	<b>Total</b>
<b>Audit</b>	<b>Special Recreation</b>	<b>Working Cash</b>	<b>Nonmajor Governmental Funds</b>
\$ 54,825	\$ 812,248	\$ -	\$ 5,291,478
-	-	-	1,245,742
-	-	-	1,588
-	44,679	-	67,998
200	4,896	2,380	19,536
-	55,885	-	55,885
55,025	917,708	2,380	6,682,227
-	-	-	481,201
-	-	-	1,314,862
-	-	-	561,839
-	794,026	-	914,784
-	-	-	969,873
-	-	-	1,524,890
48,530	-	-	631,469
48,530	794,026	-	6,398,918
6,495	123,682	2,380	283,309
-	17,997	-	159,198
-	(99,500)	(2,380)	(557,197)
-	(81,503)	(2,380)	(397,999)
6,495	42,179	-	(114,690)
49,790	1,443,828	711,834	5,513,328
\$ 56,285	\$ 1,486,007	\$ 711,834	\$ 5,398,638

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT  
MUSEUM FUND

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 1,424,610	\$ 1,424,610	\$ 1,421,342	\$ (3,268)
Investment income	600	600	1,654	1,054
Total revenues	<u>1,425,210</u>	<u>1,425,210</u>	<u>1,422,996</u>	<u>(2,214)</u>
<b>EXPENDITURES</b>				
Current				
Museum operations				
Professional services	969,893	970,000	969,873	(127)
Total expenditures	<u>969,893</u>	<u>970,000</u>	<u>969,873</u>	<u>(127)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>455,317</u>	<u>455,210</u>	<u>453,123</u>	<u>(2,087)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(455,317)	(456,000)	(455,317)	683
Total other financing sources (uses)	<u>(455,317)</u>	<u>(456,000)</u>	<u>(455,317)</u>	<u>683</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (790)</u>	<u>(2,194)</u>	<u>\$ (1,404)</u>
FUND BALANCE, JANUARY 1			<u>573,551</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 571,357</u>	

(See independent auditor's report.)



**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT  
POLICE PROTECTION FUND

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 509,850	\$ 509,850	\$ 507,626	\$ (2,224)
Other taxes	758,274	758,274	692,079	(66,195)
Intergovernmental	7,700	7,700	1,588	(6,112)
Fees and admissions	24,900	24,900	23,319	(1,581)
Investment income	300	300	779	479
<b>Total revenues</b>	<u>1,301,024</u>	<u>1,301,024</u>	<u>1,225,391</u>	<u>(75,633)</u>
<b>EXPENDITURES</b>				
Current				
Police protection				
Personnel costs	874,334	985,000	984,956	(44)
Employee benefits	239,975	202,000	201,484	(516)
Commodities	90,700	56,000	55,848	(152)
Professional services	121,750	100,000	99,563	(437)
<b>Total expenditures</b>	<u>1,326,759</u>	<u>1,343,000</u>	<u>1,341,851</u>	<u>(1,149)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(25,735)</u>	<u>(41,976)</u>	<u>(116,460)</u>	<u>(74,484)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>25,735</u>	<u>105,000</u>	<u>106,671</u>	<u>1,671</u>
<b>Total other financing sources (uses)</b>	<u>25,735</u>	<u>105,000</u>	<u>106,671</u>	<u>1,671</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 63,024</u>	<u>(9,789)</u>	<u>\$ (72,813)</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>133,930</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 124,141</u>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT  
EMPLOYEE BENEFIT FUND

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 1,715,134	\$ 1,715,134	\$ 1,717,772	\$ 2,638
Other taxes	606,620	606,620	553,663	(52,957)
Investment income	2,100	2,100	4,097	1,997
<b>Total revenues</b>	<b>2,323,854</b>	<b>2,323,854</b>	<b>2,275,532</b>	<b>(48,322)</b>
<b>EXPENDITURES</b>				
Current				
Park operations	398,410	367,038	366,996	(42)
Recreation operations				
Facilities	926,429	909,939	909,836	(103)
Programs	420,514	437,310	437,260	(50)
Therapeutic operations	87,692	86,131	86,121	(10)
Police protection	151,108	148,419	148,402	(17)
Administration	487,847	479,163	479,109	(54)
<b>Total expenditures</b>	<b>2,472,000</b>	<b>2,428,000</b>	<b>2,427,724</b>	<b>(276)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(148,146)</b>	<b>(104,146)</b>	<b>(152,192)</b>	<b>(48,046)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	148,146	34,000	34,530	530
<b>Total other financing sources (uses)</b>	<b>148,146</b>	<b>34,000</b>	<b>34,530</b>	<b>530</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (70,146)</b>	<b>(117,662)</b>	<b>\$ (47,516)</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>1,087,854</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 970,192</b>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BY OBJECT  
LIABILITY INSURANCE FUND

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 776,250	\$ 776,250	\$ 777,665	\$ 1,415
Investment income	3,000	3,000	5,530	2,530
<b>Total revenues</b>	<b>779,250</b>	<b>779,250</b>	<b>783,195</b>	<b>3,945</b>
<b>EXPENDITURES</b>				
Current				
Park operations	123,722	89,941	114,205	24,264
Recreation operations				
Facilities	438,783	405,564	405,026	(538)
Programs	134,963	134,963	124,579	(10,384)
Therapeutic operations	37,524	37,524	34,637	(2,887)
Police protection	37,524	37,524	34,637	(2,887)
Administration	112,484	112,484	103,830	(8,654)
<b>Total expenditures</b>	<b>885,000</b>	<b>818,000</b>	<b>816,914</b>	<b>(1,086)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(105,750)</b>	<b>(38,750)</b>	<b>(33,719)</b>	<b>5,031</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	105,750	-	-	-
<b>Total other financing sources (uses)</b>	<b>105,750</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (38,750)</b>	<b>(33,719)</b>	<b>\$ 5,031</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>1,512,541</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 1,478,822</b>	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 54,450	\$ 54,450	\$ 54,825	\$ 375
Investment income	40	40	200	160
Total revenues	54,490	54,490	55,025	535
<b>EXPENDITURES</b>				
Current				
Administration				
Professional services	54,490	48,600	48,530	(70)
Total expenditures	54,490	48,600	48,530	(70)
<b>NET CHANGE IN FUND BALANCE</b>				
	\$ -	\$ 5,890	6,495	\$ 605
<b>FUND BALANCE, JANUARY 1</b>			49,790	
<b>FUND BALANCE, DECEMBER 31</b>			\$ 56,285	

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 814,771	\$ 814,771	\$ 812,248	\$ (2,523)
Fees and admissions	51,387	51,387	44,679	(6,708)
Investment income	2,000	2,000	4,896	2,896
Miscellaneous income	52,498	52,498	55,885	3,387
<b>Total revenues</b>	<b>920,656</b>	<b>920,656</b>	<b>917,708</b>	<b>(2,948)</b>
<b>EXPENDITURES</b>				
Current				
Therapeutic operations				
Personnel costs	595,126	572,000	571,594	(406)
Employee benefits	105,640	88,000	87,506	(494)
Commodities	21,238	28,000	27,636	(364)
Professional services	110,152	128,000	107,290	(20,710)
<b>Total expenditures</b>	<b>832,156</b>	<b>816,000</b>	<b>794,026</b>	<b>(21,974)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>88,500</b>	<b>104,656</b>	<b>123,682</b>	<b>19,026</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	11,000	17,500	17,997	497
Transfers (out)	(99,500)	(99,500)	(99,500)	-
<b>Total other financing sources (uses)</b>	<b>(88,500)</b>	<b>(82,000)</b>	<b>(81,503)</b>	<b>497</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 22,656</b>	<b>42,179</b>	<b>\$ 19,523</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>1,443,828</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 1,486,007</b>	

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Balances December 31, 2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances December 31, 2016</b>
<b>ASSETS</b>				
Cash	\$ 25,000	\$ 754,511	\$ (754,511)	\$ 25,000
Investments	546,155	911,369	(792,141)	665,383
Other receivables	109,876	876,777	(871,640)	115,013
<b>TOTAL ASSETS</b>	<b>\$ 681,031</b>	<b>\$ 2,542,657</b>	<b>\$ (2,418,292)</b>	<b>\$ 805,396</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 101,633	\$ 817,024	\$ (874,511)	\$ 44,146
Due to others	579,398	1,725,633	(1,543,781)	761,250
<b>TOTAL LIABILITIES</b>	<b>\$ 681,031</b>	<b>\$ 2,542,657</b>	<b>\$ (2,418,292)</b>	<b>\$ 805,396</b>

(See independent auditor's report.)

**SUPPLEMENTARY INFORMATION**



**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Fees and admissions	\$ 3,067,776	\$ 3,056,846	\$ (10,930)
Other income	(12,127)	(12,161)	(34)
Total revenues	3,055,649	3,044,685	(10,964)
<b>EXPENDITURES</b>			
Current			
Personnel costs	1,201,030	1,228,661	27,631
Employee benefits	63,808	60,519	(3,289)
Commodities	698,010	662,675	(35,335)
Professional services	598,623	598,295	(328)
Total expenditures	2,561,471	2,550,150	(11,321)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 494,178</b>	<b>\$ 494,535</b>	<b>\$ 357</b>

\*Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES AND EXPENDITURES  
RECREATION FUND DEPARTMENTS  
ICE ARENAS

For the Year Ended December 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Fees and admissions	\$ 1,465,248	\$ 1,545,218	\$ 79,970
Other income	36,173	39,078	2,905
Total revenues	1,501,421	1,584,296	82,875
<b>EXPENDITURES</b>			
Current			
Personnel costs	1,003,768	1,014,679	10,911
Employee benefits	176,632	131,974	(44,658)
Commodities	170,229	225,281	55,052
Professional services	518,585	476,318	(42,267)
Total expenditures	1,869,214	1,848,252	(20,962)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (367,793)</b>	<b>\$ (263,956)</b>	<b>\$ 103,837</b>

\*Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES AND EXPENDITURES  
RECREATION FUND DEPARTMENTS  
SPORTSCORE OPERATIONS

For the Year Ended December 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Fees and admissions	\$ 1,487,239	\$ 1,360,364	\$ (126,875)
Other income	216,076	208,689	(7,387)
Total revenues	<u>1,703,315</u>	<u>1,569,053</u>	<u>(134,262)</u>
<b>EXPENDITURES</b>			
Current			
Personnel costs	762,444	775,591	13,147
Employee benefits	106,378	80,596	(25,782)
Commodities	369,678	309,448	(60,230)
Professional services	342,395	380,319	37,924
Total expenditures	<u>1,580,895</u>	<u>1,545,954</u>	<u>(34,941)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ 122,420</u>	<u>\$ 23,099</u>	<u>\$ (99,321)</u>

\*Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

SCHEDULE OF REVENUES AND EXPENDITURES  
RECREATION FUND DEPARTMENTS  
GOLF COURSES

For the Year Ended December 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Over (Under)</b>
<b>REVENUES</b>			
Fees and admissions	\$ 2,347,209	\$ 2,385,779	\$ 38,570
Other income	174,316	148,430	(25,886)
<b>Total revenues</b>	<b>2,521,525</b>	<b>2,534,209</b>	<b>12,684</b>
<b>EXPENDITURES</b>			
Current			
Personnel costs	1,707,724	1,638,440	(69,284)
Employee benefits	167,961	124,687	(43,274)
Commodities	432,025	474,037	42,012
Professional services	354,616	354,680	64
<b>Total expenditures</b>	<b>2,662,326</b>	<b>2,591,844</b>	<b>(70,482)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (140,801)</b>	<b>\$ (57,635)</b>	<b>\$ 83,166</b>

\*Fund transfers are excluded from totals.

(See independent auditor's report.)

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

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

For the Year Ended December 31, 2016

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<b>ADDITIONS RECEIVED</b>	
Intergovernmental revenue from Winnebago County	\$ 761,764
Intergovernmental receivable from Winnebago County	<u>115,013</u>
Total additions received	876,777
Interest received	<u>2,099</u>
<b>TOTAL ADDITIONS</b>	878,876
<b>DEDUCTIONS</b>	
Capital acquisitions	120,000
Reclaiming First contribution	<u>577,024</u>
INCREASE IN DUE TO OTHERS	181,852
DUE TO OTHERS, JANUARY 1, 2016	<u>579,398</u>
<b>DUE TO OTHERS, DECEMBER 31, 2016</b>	<u><u>\$ 761,250</u></u>

(See independent auditor's report.)

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have been changed over time.	84-89
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	90-93
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	94-98
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	99-100
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	101-103

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

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 44,402,580	\$ 47,612,063	\$ 54,003,970	\$ 59,658,439	\$ 60,731,795	\$ 63,657,961	\$ 64,804,127	\$ 66,466,818	\$ 66,137,281	\$ 66,751,016
Restricted	606,741	6,792,202	6,724,118	6,746,101	6,113,673	8,816,174	7,587,233	17,906,021	16,913,944	16,380,920
Unrestricted	(5,063,562)	(12,985,215)	(13,373,102)	(11,603,800)	(9,736,397)	(11,049,544)	(10,245,096)	(10,571,903)	(10,000,303)	(8,779,507)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 39,945,759</b>	<b>\$ 41,419,050</b>	<b>\$ 47,354,986</b>	<b>\$ 54,800,740</b>	<b>\$ 57,109,071</b>	<b>\$ 61,424,591</b>	<b>\$ 62,146,264</b>	<b>\$ 73,800,936</b>	<b>\$ 73,050,922</b>	<b>\$ 74,352,429</b>

Data Source

Audited Financial Statements



**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>EXPENSES</b>										
Governmental activities										
Park operations	\$ 5,167,240	\$ 5,656,714	\$ 5,997,535	\$ 6,645,990	\$ 6,440,226	\$ 6,416,140	\$ 6,354,290	\$ 6,527,857	\$ 6,878,434	\$ 6,807,504
Recreation operations	19,461,643	18,395,629	17,311,337	17,579,763	19,893,296	20,949,593	19,604,372	19,641,401	19,829,648	22,046,390
Museum operations	2,025,552	1,961,253	2,203,744	2,663,683	2,161,593	2,043,907	2,259,746	1,791,665	1,771,005	1,605,201
Police protection	1,858,595	2,182,833	2,036,787	2,098,284	2,074,287	2,043,411	1,984,336	1,932,322	1,940,498	1,533,013
Administration	7,662,309	7,071,821	7,316,267	7,808,941	7,124,545	6,912,356	7,084,225	6,930,477	7,125,634	7,893,541
Interest on debt	724,555	713,973	636,764	517,610	624,187	681,339	536,339	775,660	498,884	1,612,460
<b>TOTAL GOVERNMENTAL ACTIVITIES EXPENSES</b>	<b>\$ 36,899,894</b>	<b>\$ 35,982,223</b>	<b>\$ 35,502,434</b>	<b>\$ 37,314,271</b>	<b>\$ 38,318,134</b>	<b>\$ 39,046,746</b>	<b>\$ 37,823,308</b>	<b>\$ 37,599,382</b>	<b>\$ 38,044,103</b>	<b>\$ 41,498,109</b>
<b>PROGRAM REVENUES</b>										
Governmental activities										
Program revenues										
Charges for services										
Recreation operations	\$ 10,710,946	\$ 9,720,947	\$ 9,084,565	\$ 10,066,022	\$ 9,794,420	\$ 10,252,999	\$ 8,328,295	\$ 8,313,033	\$ 9,169,912	\$ 10,353,537
Other	-	582,183	660,774	695,466	374,571	313,189	323,438	338,082	340,170	345,443
Operating grants and contributions	580,240	1,084,363	374,483	280,935	1,238,228	1,581,212	922,910	967,790	967,879	1,417,125
Capital grants and contributions	750,000	2,223,488	7,179,842	9,015,757	4,425,937	2,410,343	2,112,428	12,917,539	2,093,680	2,469,758
<b>TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES</b>	<b>\$ 12,041,186</b>	<b>\$ 13,610,981</b>	<b>\$ 17,299,664</b>	<b>\$ 20,058,180</b>	<b>\$ 15,833,156</b>	<b>\$ 14,557,743</b>	<b>\$ 11,687,071</b>	<b>\$ 22,536,444</b>	<b>\$ 12,571,641</b>	<b>\$ 14,585,863</b>
<b>NET REVENUE (EXPENSE)</b>										
Governmental activities	\$ (24,858,708)	\$ (22,371,242)	\$ (18,202,770)	\$ (17,256,091)	\$ (22,484,978)	\$ (24,489,003)	\$ (26,136,237)	\$ (15,062,938)	\$ (25,472,462)	\$ (26,912,246)

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Taxes										
Property	\$ 20,001,241	\$ 20,668,089	\$ 21,683,971	\$ 22,028,216	\$ 22,394,484	\$ 22,724,413	\$ 23,285,043	\$ 23,564,421	\$ 23,544,225	\$ 23,613,467
Other taxes	2,770,345	2,663,999	2,247,435	2,423,247	2,135,389	2,139,301	2,371,606	2,441,525	2,304,035	2,306,928
Grants and contributions not restricted to specific programs	147,389	-	-	-	-	-	-	-	-	-
Investment earnings	728,491	308,465	79,198	42,986	49,139	30,611	23,965	22,857	22,967	55,986
Other	1,354,480	527,808	171,757	99,689	214,297	143,732	1,475,848	367,103	1,282,547	699,305
Gain on sale of capital assets	-	-	-	-	-	-	-	23,152	1,903	14,875
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 25,001,946</b>	<b>\$ 24,168,361</b>	<b>\$ 24,182,361</b>	<b>\$ 24,594,138</b>	<b>\$ 24,793,309</b>	<b>\$ 25,038,057</b>	<b>\$ 27,156,462</b>	<b>\$ 26,419,058</b>	<b>\$ 27,155,677</b>	<b>\$ 26,690,561</b>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ 143,238	\$ -	\$ 5,979,591	\$ 7,338,047	\$ 2,308,331	\$ 549,054	\$ 1,020,225	\$ 11,356,120	\$ 1,683,215	\$ (221,685)

Data Source

Audited Financial Statements

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>GENERAL FUND</b>										
Nonspendable in form - inventory	\$ -	\$ -	\$ -	\$ -	\$ 49,460	\$ 54,810	\$ 50,192	\$ 44,449	\$ 44,292	\$ 49,150
Nonspendable in form - prepaid items	-	-	-	-	35,960	43,700	5,000	5,000	58,865	87,507
Nonspendable in form - long-term receivables	-	-	-	-	-	-	30,000	30,000	27,010	24,040
Reserved/Restricted	120,881	1,800,348	1,655,188	1,650,411	-	-	-	-	-	-
Unreserved/Unassigned	4,340,893	2,996,592	1,741,772	2,515,983	2,771,216	2,783,571	2,913,971	3,013,138	2,941,347	3,147,914
<b>TOTAL GENERAL FUND</b>	<b>\$ 4,461,774</b>	<b>\$ 4,796,940</b>	<b>\$ 3,396,960</b>	<b>\$ 4,166,394</b>	<b>\$ 2,856,636</b>	<b>\$ 2,882,081</b>	<b>\$ 2,999,163</b>	<b>\$ 3,092,587</b>	<b>\$ 3,071,514</b>	<b>\$ 3,308,611</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable in form - inventory	\$ -	\$ -	\$ -	\$ -	\$ 97,384	\$ 91,227	\$ 70,107	\$ 75,122	\$ 91,899	\$ 92,067
Nonspendable in form - prepaid items	-	-	-	-	992,360	-	2,550	65,060	6,480	13,818
Nonspendable in form - long-term receivables	-	-	-	-	-	-	100,000	117,000	89,990	-
Reserved/Restricted										
Special revenue funds	56,232	3,789,729	3,911,757	3,953,186	-	-	-	-	-	-
Permanent funds	-	709,863	709,863	711,834	-	-	-	-	-	-
Capital projects fund	-	-	169,827	-	-	-	-	-	-	-
Debt service fund	606,741	637,760	613,422	614,492	-	-	-	-	-	-
Restricted for museum operations	-	-	-	-	613,531	614,886	581,826	572,124	572,124	569,930
Restricted for police protection	-	-	-	-	55,860	25,076	12,173	10,014	-	7,355
Restricted for employee benefits	-	-	-	-	1,154,228	1,154,228	1,155,723	1,155,723	1,087,854	970,192
Restricted for audit	-	-	-	-	20,385	27,201	37,570	49,121	49,570	55,867
Restricted for working cash	-	-	-	-	711,834	711,834	711,834	711,834	711,834	711,834
Restricted for special recreation	-	-	-	-	1,402,229	1,444,389	1,423,890	1,439,592	1,438,610	1,476,179
Restricted for debt service	-	-	-	-	602,989	545,943	521,600	487,764	432,406	386,283
Restricted for liability insurance	-	-	-	-	1,552,617	1,552,617	1,552,617	1,552,617	1,512,541	1,478,822
Restricted for capital projects	-	-	-	-	2,175,617	5,356,161	1,948,086	2,886,086	2,901,171	5,098,643
Unreserved/Unrestricted reported in										
Assigned for specific purposes	-	-	-	-	220,476	212,597	246,924	367,020	236,427	512,244
Special revenue funds	4,305,290	(635,875)	711,711	(71,777)	-	-	-	-	-	-
Capital projects fund	(314,861)	1,261,908	(262,665)	6,087,175	-	-	-	-	-	-
Unassigned	-	-	-	-	(247,953)	-	-	(70,142)	(98,094)	(59,436)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 4,653,402</b>	<b>\$ 5,763,385</b>	<b>\$ 5,853,915</b>	<b>\$ 11,294,910</b>	<b>\$ 9,351,557</b>	<b>\$ 11,736,159</b>	<b>\$ 8,364,900</b>	<b>\$ 9,418,935</b>	<b>\$ 9,032,812</b>	<b>\$ 11,313,798</b>

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

Data Source

Audited Financial Statements

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>REVENUES</b>										
Property taxes	\$ 20,001,241	\$ 20,668,090	\$ 21,683,972	\$ 22,028,215	\$ 22,394,484	\$ 22,724,413	\$ 23,285,043	\$ 23,564,421	\$ 23,544,225	\$ 23,613,468
Intergovernmental and other taxes	4,030,233	3,806,728	2,440,405	3,949,944	4,665,418	4,799,172	3,440,428	5,581,534	4,577,532	5,495,402
Local donations	-	-	1,722,139	6,001,755	2,305,525	1,855,157	1,920,552	1,499,113	842,821	596,641
Fees and admissions	10,710,946	9,940,268	9,359,461	10,338,099	10,067,813	10,486,096	8,560,556	8,515,485	9,437,247	10,698,653
Investment income	728,491	308,464	79,198	42,986	49,139	30,611	23,965	22,857	22,967	55,985
Miscellaneous	1,834,721	2,592,863	801,511	1,338,814	670,226	469,036	409,764	518,243	1,434,980	1,352,049
<b>Total revenues</b>	<b>37,305,632</b>	<b>37,316,413</b>	<b>36,086,686</b>	<b>43,699,813</b>	<b>40,152,605</b>	<b>40,364,485</b>	<b>37,640,308</b>	<b>39,701,653</b>	<b>39,859,772</b>	<b>41,812,198</b>
<b>EXPENDITURES</b>										
Current										
Park operations	4,588,041	4,869,562	5,058,446	5,680,199	5,485,507	5,533,664	5,291,305	5,510,187	5,953,904	5,891,953
Recreation operations	17,182,383	15,853,427	15,294,203	15,442,300	17,815,948	19,072,606	17,203,654	17,207,271	17,832,857	19,933,786
Museum operations	1,831,494	1,720,017	2,104,422	2,410,190	1,900,635	1,760,042	1,956,986	1,290,273	1,271,094	1,102,808
Police operations	1,797,974	2,045,830	1,972,636	2,057,555	1,977,949	2,021,409	1,887,921	1,845,485	1,919,081	1,524,890
Administration	7,574,543	6,820,991	6,993,520	7,441,206	6,602,962	6,751,085	6,717,204	6,546,841	6,966,476	6,878,525
Capital outlay	3,806,483	4,624,330	5,793,496	8,141,287	9,815,740	5,765,423	1,456,853	9,055,652	14,891,936	16,337,161
Debt service										
Principal	7,950,000	6,250,000	5,915,000	5,930,000	5,550,000	7,055,000	6,930,500	7,121,077	6,453,266	6,272,793
Interest	675,587	672,577	802,409	560,726	755,737	679,635	782,186	878,015	795,069	1,672,539
Payment to refunding escrow agent	-	-	-	-	-	-	-	-	-	296,527
Other charges	40,380	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>45,446,885</b>	<b>42,856,734</b>	<b>43,934,132</b>	<b>47,663,463</b>	<b>49,904,478</b>	<b>48,638,864</b>	<b>42,226,609</b>	<b>49,454,801</b>	<b>56,083,683</b>	<b>59,910,982</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,141,253)</b>	<b>(5,540,321)</b>	<b>(7,847,446)</b>	<b>(3,963,650)</b>	<b>(9,751,873)</b>	<b>(8,274,379)</b>	<b>(4,586,301)</b>	<b>(9,753,148)</b>	<b>(16,223,911)</b>	<b>(18,098,784)</b>

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Bonds issued	\$ 6,420,000	\$ 7,240,000	\$ 7,125,000	\$ 11,640,000	\$ 7,660,000	\$ 9,540,000	\$ -	\$ 6,723,120	\$ 15,686,276	\$ 21,071,548
Issuance of refunding bonds	-	-	-	-	-	600,000	-	-	-	-
Issuance of capital lease obligation	-	-	-	-	-	-	27,195	94,691	103,623	123,623
Issuance of note payable - City of Rockford	-	-	-	-	-	-	-	3,750,000	-	-
Payment to refunding escrow agent	-	-	-	(567,664)	(526,705)	(569,741)	-	-	(281,890)	(835,062)
Discount on insurance of bonds	-	-	-	-	(18,840)	-	-	-	-	-
Redemption of refunded bonds	-	-	-	(1,800,000)	-	-	-	-	-	-
Premium on bonds issued	11,042	66,189	86,354	186,040	-	338,859	-	102,802	317,679	127,066
Transfers in	-	3,392,978	2,462,545	3,973,382	5,570,107	5,739,623	4,182,814	3,922,953	4,382,104	5,119,358
Transfers (out)	-	(3,392,978)	(2,462,545)	(3,973,382)	(6,591,964)	(5,145,146)	(4,182,814)	(3,922,953)	(4,382,104)	(5,119,358)
Insurance proceeds	-	-	-	68,240	392,399	144,519	1,097,079	124,782	71,184	114,817
Sale of capital assets	26,017	3,109	3,193	14,566	13,765	36,312	207,850	23,152	1,903	14,875
<b>Total other financing sources (uses)</b>	<b>6,457,059</b>	<b>7,309,298</b>	<b>7,214,547</b>	<b>9,541,182</b>	<b>6,498,762</b>	<b>10,684,426</b>	<b>1,332,124</b>	<b>10,818,547</b>	<b>15,898,775</b>	<b>20,616,867</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,684,194)</b>	<b>\$ 1,768,977</b>	<b>\$ (632,899)</b>	<b>\$ 5,577,532</b>	<b>\$ (3,253,111)</b>	<b>\$ 2,410,047</b>	<b>\$ (3,254,177)</b>	<b>\$ 1,065,399</b>	<b>\$ (325,136)</b>	<b>\$ 2,518,083</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>19.76%</b>	<b>18.00%</b>	<b>17.67%</b>	<b>16.41%</b>	<b>15.73%</b>	<b>18.04%</b>	<b>18.97%</b>	<b>19.80%</b>	<b>17.60%</b>	<b>18.98%</b>

Data Source

Audited Financial Statements

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

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Levy Year	Tax Levied	Amount Collected within the Fiscal Year of the Levy	Percentage of Levy	Amounts Collected in Subsequent Fiscal Years	Total Collections to Date	Percentage of Levy
2006	\$ 20,305,291	\$ 20,001,241	98.50%	\$ -	\$ 20,001,241	98.50%
2007	20,724,784	20,633,165	99.56%	34,924	20,668,089	99.73%
2008	21,804,222	21,675,170	99.41%	8,801	21,683,971	99.45%
2009	22,125,366	22,003,430	99.45%	24,786	22,028,216	99.56%
2010	22,513,392	22,352,642	99.29%	41,842	22,394,484	99.47%
2011	22,820,609	22,700,672	99.47%	23,741	22,724,413	99.58%
2012	23,415,076	23,289,716	99.46%	(4,673)	23,285,043	99.44%
2013	23,733,571	23,581,192	99.36%	(16,771)	23,564,421	99.29%
2014	23,796,501	23,569,089	99.04%	(26,454)	23,542,635	98.93%
2015	23,853,845	23,660,898	99.19%	(49,318)	23,611,580	98.98%

Data Source

Office of the County Clerk

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Real Property Assessed Value</b>	<b>Railroad Property Assessed Value</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable Value</b>
2006	\$ 2,929,758,329	\$ 1,807,792	\$ 2,931,566,121	0.7360	\$ 8,803,501,865	33.3%
2007	2,978,945,772	2,251,829	2,981,197,601	0.7198	8,952,545,348	33.3%
2008	3,031,504,655	-	3,031,504,655	0.7319	9,103,617,583	33.3%
2009	2,967,855,990	-	2,967,855,990	0.7455	8,912,480,450	33.3%
2010	2,862,111,986	-	2,862,111,986	0.7869	8,594,930,889	33.3%
2011	2,706,355,707	-	2,706,355,707	0.0400	8,127,194,315	33.3%
2012	2,458,916,643	-	2,458,916,643	0.9522	7,384,134,063	33.3%
2013	2,243,884,947	-	2,243,884,947	1.0577	6,738,393,234	33.3%
2014	2,109,477,022	-	2,109,477,022	1.1281	6,334,765,832	33.3%
2015	2,051,167,849	-	2,051,167,849	1.1629	6,159,663,210	33.3%

Note: Property in the District is reassessed each year. Property is assessed at 33% of actual value. In addition, the District is subject to two sets of tax limits; rate limits which limit the maximum rates that can be levied for a particular purpose and tax caps, which limit the total dollar increase in the levy to the lessor of 5% or the consumer price index as published by the Illinois Department of Revenue, excluding new construction/annexation.

Data Source

Office of the County Clerk

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>DISTRICT DIRECT RATES</b>										
Corporate	0.2373	0.2351	0.2359	0.2430	0.2500	0.2500	0.2545	0.2847	0.3102	0.3184
Bonds and interest	0.1805	0.1704	0.1646	0.1652	0.1763	0.1892	0.2145	0.2396	0.2579	0.2675
IMRF	0.0188	0.0187	0.0207	0.0230	0.0250	0.0311	0.0366	0.0406	0.0396	0.0413
Police protection	0.0242	0.0240	0.0248	0.0250	0.0250	0.0250	0.0250	0.0250	0.0247	0.0250
Audit	0.0013	0.0013	0.0017	0.0016	0.0017	0.0020	0.0024	0.0027	0.0027	0.0027
Tort	0.0225	0.0207	0.0212	0.0214	0.0229	0.0259	0.0305	0.0361	0.0367	0.0383
Social security	0.0261	0.0259	0.0277	0.0277	0.0291	0.0333	0.0387	0.0390	0.0396	0.0433
Museum	0.0659	0.0653	0.0679	0.0684	0.0700	0.0700	0.0700	0.0700	0.0689	0.0700
Recreation	0.1194	0.1204	0.1274	0.1302	0.1469	0.1767	0.2400	0.2800	0.3089	0.3164
Special recreation	0.0400	0.0380	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0394	0.0400
<b>TOTAL DISTRICT DIRECT RATES</b>	<b>0.7360</b>	<b>0.7198</b>	<b>0.7319</b>	<b>0.7455</b>	<b>0.7869</b>	<b>0.8432</b>	<b>0.9522</b>	<b>1.0577</b>	<b>1.1286</b>	<b>1.1629</b>
<b>OVERLAPPING RATES</b>										
City of Rockford (including Library)	2.5680	2.5173	2.5318	2.5606	2.7159	2.9051	3.2600	3.8122	4.0786	3.8791
Rockford Public Schools, District No. 205	5.4120	5.3381	5.4520	5.5765	6.0152	6.5595	6.6884	7.2301	7.7810	7.9379
Winnebago County including Forest Preserve	0.8780	0.8609	0.8694	0.8793	0.9197	0.9632	1.0495	1.1494	1.2044	1.2187
Other	0.8780	0.8481	0.8685	0.8761	0.8862	0.9115	0.9515	0.7529	0.7894	0.8041
<b>TOTAL OVERLAPPING RATES</b>	<b>9.7360</b>	<b>9.5644</b>	<b>9.7217</b>	<b>9.8925</b>	<b>10.5370</b>	<b>11.3393</b>	<b>11.9494</b>	<b>12.9446</b>	<b>13.8534</b>	<b>13.8398</b>

Data Source

Office of the County Clerk



**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2016			2007		
	Equalized Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Valuation
CBL Cherryvale	\$ 12,972,954	1	0.63%	\$ 15,172,154	1	0.50%
Greater Rockford Airport Authority	10,720,522	2	0.52%	12,919,040	3	0.40%
Lowes Home Centers Inc.	9,153,990	3	0.45%	14,776,374	2	0.50%
Woodward Inc.	7,650,394	4	0.37%			
Forest Plaza LLC	6,637,698	5	0.32%			
Wesley Willows Corp	5,873,500	6	0.29%			
Two Star Property Co., Inc.	4,560,997	7	0.22%	5,889,082	5	0.20%
Anderson Rockford Properties	4,319,594	8	0.21%			
MB Rockford State LLC	3,881,798	9	0.19%			
Hamilton Sundstrand Corporation	3,580,880	10	0.17%	7,294,782	4	0.20%
Simon Property Group				5,078,555	6	0.20%
Swedish American Hospital				4,784,808	7	0.20%
MB Rockford State LLC				4,481,988	8	0.20%
DI Properties				4,176,893	10	0.10%
WPH Rockford LLC				4,299,905	9	0.20%
	<u>\$ 69,352,327</u>		<u>3.37%</u>	<u>\$ 78,873,581</u>		<u>2.70%</u>

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

Data Sources

Office of the County Clerk and Boone County Clerk

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Note Payable - City of Rockford	Total Primary Government	Percentage of Assessed Value	Per Capita*
	General Obligation Bonds	Capital Lease Obligation				
2007	\$ 12,624,960	\$ -	\$ -	\$ 12,624,960	0.52%	\$ 61.23
2008	13,611,634	-	-	13,611,634	0.47%	65.32
2009	14,880,606	-	-	14,880,606	0.49%	71.13
2010	18,414,501	-	-	18,414,501	0.61%	85.86
2011	19,904,773	-	-	19,904,773	0.70%	93.81
2012	20,632,111	-	-	20,632,111	0.25%	103.44
2013	15,528,983	26,695	-	15,555,678	0.21%	77.99
2014	15,175,036	70,309	3,750,000	18,995,345	0.28%	95.23
2015	24,314,245	135,666	3,600,000	28,049,911	0.44%	140.63
2016	38,242,943	209,497	3,450,000	41,902,440	0.68%	210.08

\* See the Schedule of Demographic and Economic Information on page 99 for population data.

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

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property*</b>	<b>Per Capita</b>
2007	\$ 12,624,960	\$ 606,741	\$ 12,018,219	0.14%	\$ 58.58
2008	13,611,634	637,760	12,973,874	0.15%	62.25
2009	14,880,606	625,591	14,179,409	0.16%	68.13
2010	18,414,501	614,492	17,630,508	0.20%	82.97
2011	19,904,773	602,989	19,301,784	0.22%	91.24
2012	20,632,111	545,943	20,086,168	0.25%	100.70
2013	15,528,983	521,600	15,007,383	0.20%	75.24
2014	15,175,036	487,764	14,687,272	0.22%	73.63
2015	24,314,245	432,406	23,881,839	0.38%	119.73
2016	38,242,943	386,283	37,856,660	0.61%	189.79

\* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 91 for property value data.

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

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2016

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the District (1)</b>	<b>District's Share of Debt (2)</b>
Rockford Park District	\$ 41,902,440	100.00%	\$ 41,902,440
Rockford School District No. 205	189,504,852	89.04%	168,015,002
Harlem School District No. 122	17,661,441	45.80%	7,967,076
Winnebago School District No. 323	2,610,000	16.11%	414,729
Meridian School District No. 223	13,648,533	0.11%	15,013
Belvidere School District No. 100	52,748,216	4.24%	2,347,296
Community College No. 511	89,072,481	39.50%	34,364,163
Winnebago County Forest Preserve District	2,124,089	57.76%	1,206,270
City of Rockford	4,845,000	99.55%	4,821,744
<b>Total Overlapping Debt</b>	<u>372,214,612</u>		<u>219,151,293</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><u>\$ 414,117,052</u></u>		<u><u>\$ 261,053,733</u></u>

(1) District's share of overlapping debt percentages are estimated by determining the portion of the other governments taxable assessed value that is within the District's boundaries based upon 2015 Real Property Valuations.

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

Data Sources

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

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Legal debt limit	\$ 79,126,527	\$ 84,282,526	\$ 87,395,697	\$ 85,325,860	\$ 82,285,720	\$ 77,807,727	\$ 70,698,007	\$ 64,511,692	\$ 60,647,464	\$ 58,971,076	
Total net debt applicable to limit	11,998,259	12,957,240	14,179,409	17,630,508	19,242,011	12,280,000	5,245,000	5,280,000	5,100,000	5,285,000	
<b>LEGAL DEBT MARGIN</b>	<u>\$ 67,128,268</u>	<u>\$ 71,325,286</u>	<u>\$ 73,216,288</u>	<u>\$ 67,695,352</u>	<u>\$ 63,043,709</u>	<u>\$ 65,527,727</u>	<u>\$ 65,453,007</u>	<u>\$ 59,231,692</u>	<u>\$ 55,547,464</u>	<u>\$ 53,686,076</u>	
<b>TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT</b>	15.16%	15.37%	16.22%	16.22%	20.66%	15.78%	7.42%	8.18%	8.41%	8.96%	
										Legal Debt Margin Calculation for Fiscal 2015	2.875%
										Equalized assessed value	<u>\$ 2,051,167,849</u>
										Debt limit	\$ 58,971,076
										Debt applicable to limit general obligation bonds	<u>5,285,000</u>
										<b>LEGAL DEBT MARGIN</b>	<u>\$ 53,686,076</u>

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Magic Waters						Golf Courses					
	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service			Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage				Principal	Interest	Coverage
2007	\$ 3,567,322	\$ 2,538,270	\$ 1,029,052	\$ 675,000	\$ 102,530	\$ 1.32	\$ 2,993,637	\$ 3,057,597	\$ (63,960)	\$ 305,000	\$ 16,585	\$ (0.20)
2008	3,057,493	2,478,647	578,846	465,000	79,093	1.06	2,845,803	3,024,851	(179,048)	320,000	8,960	(0.54)
2009	2,381,116	2,388,762	(7,646)	575,000	211,768	(0.01)	N/A	N/A	N/A	N/A	N/A	N/A
2010	3,235,910	2,403,162	832,748	690,000	142,680	1.00	N/A	N/A	N/A	N/A	N/A	N/A
2011	3,068,448	2,328,918	739,530	565,000	108,535	1.10	N/A	N/A	N/A	N/A	N/A	N/A
2012	3,334,955	2,633,238	701,717	350,000	240,507	1.19	N/A	N/A	N/A	N/A	N/A	N/A
2013	2,330,854	2,104,227	226,627	250,000	224,513	0.48	N/A	N/A	N/A	N/A	N/A	N/A
2014	2,192,077	2,194,519	(2,442)	390,000	215,263	-	N/A	N/A	N/A	N/A	N/A	N/A
2015	2,726,625	2,192,511	534,114	420,000	201,562	0.86	N/A	N/A	N/A	N/A	N/A	N/A
2016	3,044,685	2,550,150	494,535	300,000	272,963	0.86	N/A	N/A	N/A	N/A	N/A	N/A

Fiscal Year	Ice Arenas						Indoor Sports Center					
	Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service			Operating Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage				Principal	Interest	Coverage
2007	\$ 1,121,469	\$ 1,414,645	\$ (293,176)	\$ 205,000	\$ 93,863	\$ (0.98)	\$ 1,112,833	\$ 1,293,271	\$ (180,438)	\$ 150,000	\$ 98,988	\$ (0.72)
2008	1,079,129	1,448,319	(369,190)	215,000	87,200	(1.22)	1,238,896	1,329,176	(90,280)	175,000	93,513	(0.34)
2009	1,084,998	1,499,593	(414,595)	225,000	79,675	(1.36)	1,167,019	1,215,722	(48,703)	200,000	86,775	(0.17)
2010	1,509,388	1,682,198	(172,810)	-	35,506	(4.87)	1,759,125	1,159,075	600,050	215,000	15,510	2.60
2011	1,385,543	1,772,996	(387,453)	-	-	N/A	1,021,470	1,118,227	(96,757)	240,000	38,000	(0.35)
2012	1,325,973	1,789,188	(463,215)	-	26,459	(17.51)	1,031,034	1,131,152	(100,118)	210,000	33,200	(0.41)
2013	1,306,608	1,700,447	(393,839)	-	-	N/A	729,727	728,590	1,137	230,000	29,000	-
2014	1,371,432	1,781,187	(409,755)	265,000	28,574	(1.40)	789,761	782,201	7,560	250,000	24,400	0.03
2015	1,536,816	1,979,207	(442,391)	275,000	22,948	(1.48)	827,405	852,232	(24,827)	265,000	18,775	(0.09)
2016	1,584,296	1,848,252	(263,956)	295,000	5,974	(0.88)	1,569,053	1,545,954	23,099	285,000	12,150	0.08

N/A - Information is not applicable.

Note: Details of the District's outstanding debt can be found in the notes to financial statements. Operating revenue includes program grants, but excludes investment earnings and sale of property. Operating expenses do not include debt service, depreciation or reserve requirements.

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Equalized Assessed Valuation (EAV)</b>	<b>Per Capita EAV</b>	<b>Unemployment Rate (b)</b>
2007	205,867	\$ 2,931,566,121	\$ 14,240	6.2%
2008	208,132	2,981,197,601	14,324	8.9%
2009	211,025	3,031,504,655	14,366	14.4%
2010	199,463	2,967,855,900	14,879	15.5%
2011	199,463	2,862,111,986	14,349	12.4%
2012	199,463	2,706,355,707	13,568	11.5%
2013	199,463	2,458,916,643	12,328	11.2%
2014	199,463	2,243,884,947	11,250	9.5%
2015	199,463	2,109,477,022	10,576	6.7%
2016	199,463	2,051,167,849	10,283	6.8%

Note: Personal income data is not available.

Data Sources

- (a) 2007-2009 University of Illinois, College of Medicine, 2010-2016 WINGIS from 2010 Census  
 (b) Illinois Department of Employment Security

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2016			2007		
	Rank	Number of Employees (1)	% of Total City Population	Rank	Number of Employees (2)	% of Total City Population
Rockford Public Schools, District No. 205	1	4,800	2.41%	2	3,500	1.70%
Chrysler LLC	2	4,500	2.26%	1	4,000	1.94%
Swedish American Health System	3	2,600	1.30%	4	2,900	1.41%
Rockford Health System	4	2,500	1.25%	3	2,900	1.41%
United Technologies Aerospace Systems	5	2,000	1.00%	-	-	-
OSF St. Anthony's Medical Center	6	2,000	1.00%	7	2,000	0.97%
County of Winnebago	7	1,731	0.87%	-	-	-
United Parcel Service	8	1,200	0.60%	6	2,200	1.07%
Woodward, Inc.	9	1,200	0.60%	8	1,300	0.63%
City of Rockford	10	1,100	0.55%	9	1,201	0.58%
Hamilton Sundstrand Corporation	-	-	-	5	2,300	1.12%
Cadbury Adams	-	-	-	10	700	0.34%

Data Sources

(1) 2016 Illinois Manufacturers and Services Directories

(2) Based on a February 2007 telephone canvass of employers



**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>EMPLOYEES</b>										
Regular employees	192	182	177	183	178	177	173	177	177	176
Seasonal employees	1,547	1,487	1,341	1,533	1,433	1,463	1,656	1,656	1,460	1,481
<b>FULL-TIME EQUIVALENT EMPLOYEES</b>										
Regular employees	178	187	181	178	178	177	173	177	178	176
Seasonal employees	263	267	255	262	267	271	259	275	284	295
<b>GENERAL GOVERNMENT</b>										
Park operations	58	59	56	57	58	53	49	57	65	66
Recreation operations	281	286	276	284	291	301	288	301	313	326
Police protection	34	36	35	36	35	34	31	31	24	20
Administration	68	73	69	63	61	60	64	63	61	60
Total full-time equivalent employees	441	454	436	440	445	448	432	452	462	471

Data Source

District Records

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

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Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>RECREATION</b>										
Area served in square miles	125	125	125	125	125	125	125	125	125	125
Residents served	206,000	208,000	211,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000

Data Sources

2007-2009 - University of Illinois, College of Medicine

2010-2016 - Provided by WinGIS from 2010 Census

**ROCKFORD PARK DISTRICT  
ROCKFORD, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>PARK OPERATIONS</b>										
Acreage - owned	4,850	4,850	4,833	4,879	4,897	4,896	4,929	4,939	4,953	4,953
Number of parks - owned	174	174	174	174	175	176	177	177	179	179
<b>RECREATION</b>										
Golf courses	5	5	5	5	5	5	6	6	6	6
Ice skating arena - indoor	2	2	2	2	2	2	2	2	2	2
Outdoor swimming pools/beach	4	4	4	4	4	4	4	4	4	4
Indoor playground	1	1	1	1	1	1	1	1	1	1
Community center	1	1	1	1	1	1	1	1	1	1
Tennis courts	94	94	94	92	90	90	90	88	88	88
Pickleball courts	-	-	-	6	16	16	16	16	16	16
Softball/baseball diamonds	96	100	101	125	125	126	126	126	126	126
Soccer fields	76	79	84	91	91	91	91	91	91	91
Greenhouse and gardens	1	1	1	1	1	1	1	1	1	1
Arboretum/prairies	7	7	7	7	7	7	7	7	7	7
Equestrian facility (15+ miles of equestrian trail)	1	1	1	1	1	1	1	1	1	1
Snowmobile trail - 100+ miles	1	1	1	1	1	1	1	1	1	1
Recreation paths - 34.6 miles	9	9	9	9	39	39	39	39	39	39
Boat docks/launches	10	17	17	17	17	23	23	23	23	23
Excursion boat	1	1	1	1	1	1	1	1	1	1
Trolley	1	1	1	1	1	1	1	1	1	1
Sportscore Sports Field complexes	2	2	2	2	2	2	2	2	2	2
Outdoor education center	2	2	2	2	2	2	2	2	2	2
Magic Waters - water theme park	1	1	1	1	1	1	1	1	1	1
Minor league baseball stadium	1	1	1	1	1	1	1	1	1	1
Soccer/football stadium	1	1	1	1	1	1	1	1	1	1
Observatory	1	1	1	1	1	1	1	1	1	1
BMX Track	1	1	1	1	1	1	1	1	1	1
Target shooting facility	-	-	-	-	-	-	-	-	-	-
Dog parks	2	2	2	2	3	3	3	3	3	3
Volleyball - indoor	4	4	4	4	4	4	4	4	4	4
Volleyball - sand	7	7	7	7	7	7	7	7	7	7
<b>MUSEUMS OPERATIONS</b>										
Facilities	6	6	6	6	6	6	6	6	6	6
<b>POLICE PROTECTION</b>										
Stations	1	1	1	1	1	1	1	1	1	1

Data Source

District Records