



ANNUAL REPORT

2019

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**ROCKFORD
PARK DISTRICT**



**THE BOARD OF COMMISSIONERS AND
CITIZENS FINANCIAL REPORT FOR THE
FISCAL YEAR ENDED DECEMBER 31, 2019**

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

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Your Rockford Park District Board Of Commissioners

The Board of Commissioners is the elected governing body that oversees the Rockford Park District. Commissioners voluntarily give their free time because they care deeply about the community, and want to preserve the Rockford Park District legacy of delivering park and recreation services essential to the quality of life of its citizens.

The Rockford Park District Board welcomes your communication about how the District is performing. Board meetings (unless otherwise posted) are held in the Board Room at 401 S. Main St.

To view the full meeting schedule, agenda, and minutes, visit www.rockfordparkdistrict.org/board



Jack L. Armstrong



Julianne Elliott



Ian K. Linnabary



Scott Olson



Tyler Smith

A MESSAGE FROM THE PRESIDENT OF THE BOARD OF COMMISSIONERS

Rockford Park District Citizens,

Each year, we report to you on our achievement of the goals and priorities established by our Board to meet the needs of the citizens we serve. The master plan recommendations approved by the Board of Commissioners in 2018 that represent the communities' priorities for the District are also the driving force behind revised District priorities and a first-ever five-year strategic plan. The 2019–2023 strategic plan includes areas to reinvest in, strategically add, eliminate, suspend, or reduce. Feedback received from community engagement continues to direct allocation of funds to support areas that citizens deemed top priorities, such as neighborhood parks, playgrounds, youth programs, Washington Park Community Center, and trails, along with arts and cultural programming.

This is the fifth year in a row the Rockford Park District has elected not to increase tax dollars, resulting in saving taxpayers more than \$2 million. We relied heavily on the community's feedback in making these difficult budget decisions and holding the line on taxes.

We are a park district rich in history built upon the generosity of you, our citizens, strategic partners, and dedicated team members. Even during the recession, we've been able to consistently provide outstanding park and recreational offerings to our community. However, in the face of declining revenue and changing demographics, it is becoming increasingly difficult to provide the same level of service. We must contemplate an increase in revenue or a decrease in our footprint as we look to the future. The District is focused on identifying ways to reduce our overall dependency on property tax revenue as we continue to work toward achieving the priorities established by our citizens in order to remain a vibrant and relevant park system that meets the needs of this and succeeding generations.

Sincerely,

Ian K. Linnabary, President, Rockford Park District Board of Commissioners



It's more than just *parks and recreation!*

Mission: To help people enjoy life by providing an exceptional park and recreation system.

Vision: To be the best urban park and recreation system in North America, as measured by national standards and the citizens we serve.

Value Statement: The Rockford Park District improves the quality of life for citizens by providing a vibrant park system that increases property values, stimulates economic development, decreases juvenile crime, and improves our communities' health. A vibrant and relevant park system also protects the environment, employs hundreds of area teens, and brings our diverse community together in unity through the common love of play.



2019–2023 PRIORITY RESULTS

PRIORITY RESULT I: Park space and recreational facilities meet the recreational needs of this and succeeding generations.

FOCUS ON
LAND +
ASSETS

- Neighborhood Parks
- Infrastructure
- Investment in Priority Areas
- Sale or Lease of District Assets

PRIORITY RESULT II: Residents value and are involved in diverse, well-supported, and fun activities that promote a healthy lifestyle, and contribute to a vibrant and relevant park system.

FOCUS ON
PROGRAMS +
PARTNERSHIPS

- Community Partnerships
- Our Next Generation
- Culturally Inclusive Programs
- Residents Value a Vibrant Park System

PRIORITY RESULT III: Residents have exceptional parks and recreational facilities, services, and programs that reflect a high return on citizens' tax investment.

FOCUS ON
FINANCES

- Priority is Given to Areas of Greatest Public Benefit
- Reasonable Tax Subsidies are Achieved
- Seek Non-Property Tax Revenue

BRIEF UPDATES ON YOUR 2019 PRIORITIES

Neighborhood Parks—Thanks to Senator Stadelman and Senator Syverson seeking funding, Terry Lee Wells playground at Haskell School was remodeled, and the Park District and Rockford Public Schools worked together to fund improvements to Lewis Lemon playground. Liberty Park playground was remodeled, and the Park District took ownership of White Swan Park and Walker Park, with plans to do minor playground improvements. Our Time 2 Play free summer neighborhood playground program is offered at 10 sites, compared to the 30 sites in 1991, and attendance numbers continue to increase. Time 2 Play saw a 19.47% increase in youth enrollment. Highland Park, Keye-Mallquist Park, and Wantz Park continue to be the highest-attended sites. Thanks to the many proactive steps taken by our Rockford Park District Police, we've seen a decrease in arrests in parks and burglaries to motor vehicles.

Infrastructure—The Landing at Davis Park was completed thanks to a donation from the Smith Charitable Fund, and a putting green was added to the year-round golf opportunities inside the Indoor Sports Center.

Investment in Priority Areas—Improvements were made to Clarence Hicks Memorial Sports Park, home to the Park District youth sports program. Skybox Restaurant at Indoor Sports Center, which includes four multi-sport simulators, was completed thanks to Reclaiming First capital funds. Phase 1 of Atwood Trails was completed thanks entirely to donations.

Sale or Lease of District Assets—Magic Waters Waterpark is now run by Six Flags Great America, thanks to the District leasing operations. The District's former administration building was sold, and the 7th Street Train Depot was leased.

Community Partnerships—The Rockford ProAm was held at Aldeen Golf Club for the first time, and the District partnered with the YMCA to offer swim lessons. A new partnership was formed with Hard Rock, and is expected to provide non-property tax support for key areas pending licensing approval by the Illinois Gaming Board. Partnerships were expanded with Rockford University, Fleet Feet Sports Rockford, and Illinois Youth Soccer Association.

Our Next Generation—Children and teens who are actively involved in positive recreational programs have a greater chance of success. Hundreds of youth count on getting their first job experience with us. We employed more than 300 youth under age 21 in 2019.

Culturally Inclusive Programs—Offered a four-week summer fun learning workshop to 25 youth and teens in Muslim and Congolese communities. The Youth Sports department provided outreach programs to 40+ locations, impacting 6,500 youth.

2019 FINANCIAL Overview

By Penny Christians, Chief Financial Officer

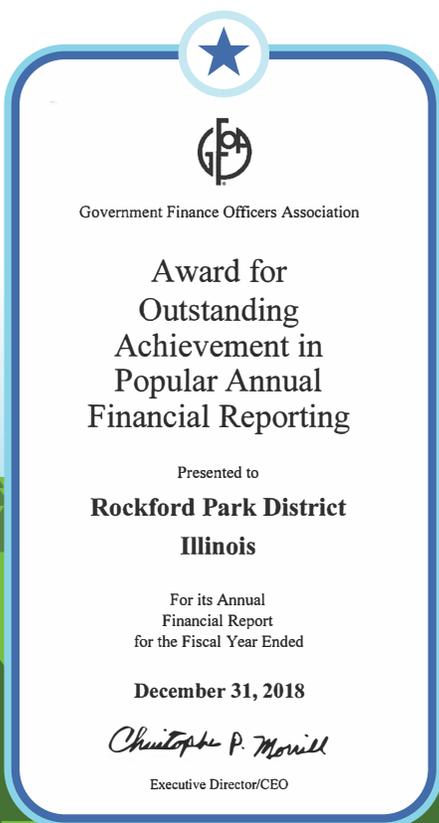
The Annual Report of the Board of Commissioners and Citizens Financial Report contains major highlights from 2019, and demonstrates examples of how the Rockford Park District provides a high return on citizens' investment. The District leverages that investment through a variety of alternative funding sources to ensure we are doing all we can to provide a great park and recreation system for our citizens.

The Government Finance Officers Association of the United States and Canada (GFOA) has given the Award for Outstanding Achievement in Popular Annual Financial Reporting to the Rockford Park District for its Annual Report and Citizens Financial Report for the fiscal year ended December 31, 2018. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government popular reports.

Financial information contained in this report has been extracted from the 2017 through 2019 Comprehensive Annual Financial Reports (CAFR). The CAFR contains the District's

audited financials, as well as supplementary information to provide additional information on the District's financial condition. Although the information included in this report is summarized, additional detail can be found in the complete CAFR available on the District's web site, rockfordparkdistrict.org.

While the Rockford Park District Foundation is included as a component unit of the Park District in the CAFR, only the Park District's financial information is included in this report.



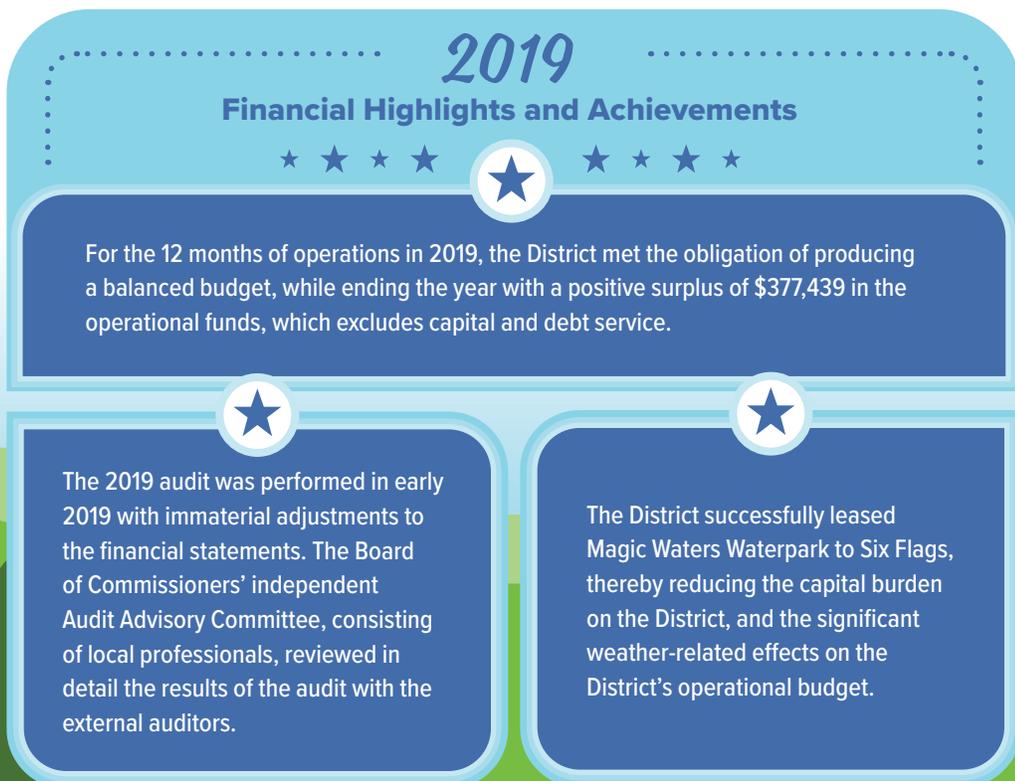

Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to
**Rockford Park District
Illinois**

For its Annual
Financial Report
for the Fiscal Year Ended
December 31, 2018

Christopher P. Morrell
Executive Director/CEO



2019 Financial Highlights and Achievements

★ ★ ★ ★ ★ ★ ★ ★

★

For the 12 months of operations in 2019, the District met the obligation of producing a balanced budget, while ending the year with a positive surplus of \$377,439 in the operational funds, which excludes capital and debt service.

★

The 2019 audit was performed in early 2019 with immaterial adjustments to the financial statements. The Board of Commissioners' independent Audit Advisory Committee, consisting of local professionals, reviewed in detail the results of the audit with the external auditors.

★

The District successfully leased Magic Waters Waterpark to Six Flags, thereby reducing the capital burden on the District, and the significant weather-related effects on the District's operational budget.



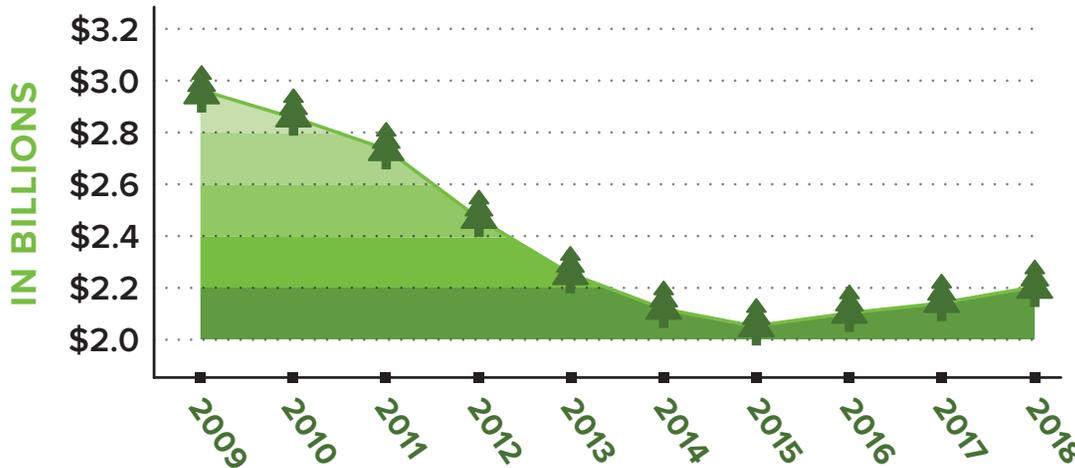
PROPERTY TAXES AND ASSESSED VALUATION

Property tax revenue makes up the largest portion of the District's revenue stream, and in 2019 represented 56.1% of total operating revenue.

From 2009 until 2015, the District experienced a decline in the equalized assessed value (EAV)—or the taxable value of property within the District's boundaries. This drop in EAV, accompanied by inflation increases, resulted in an increase to the District's tax rate.

funds for operational funds for five years. Beginning in levy year 2016, the EAV has been increasing slightly each year, showing the beginning of recovery of property values in the area. As a result of the increased EAV, the District's tax rate decreased slightly for levy year 2018 from \$1.1371 to \$1.0963.

The Board of Commissioners is very conscious of the effect of property taxes on our citizens, and did not levy additional



EQUALIZED ASSESSED VALUATION

10-Year History

2009	\$2,967,855,990
2010	\$2,862,111,986
2011	\$2,706,355,707
2012	\$2,458,916,643
2013	\$2,243,884,947
2014	\$2,109,477,022
2015	\$2,051,167,849
2016	\$2,070,193,990
2017	\$2,112,066,491
2018	\$2,202,108,817



Rockford Park District is committed to providing high-quality programs, services, and facilities to its citizens, while being conscious of the District's impact on property taxes.

For a \$100,000 homeowner, taxes paid for 2018 (collected in 2019) were about \$365. About 7.7% of a Rockford resident's total tax bill is attributed to the Rockford Park District.

HOW THE PARK DISTRICT IS FUNDED

Revenue and other financing sources

DISTRICT FINANCES

Governments prepare two forms of financial statements:

1. Government-wide financial statements, which have a long-term focus, and include long-term liabilities and fixed asset activity.
2. Governmental fund financial statements, which focus more on the currently available revenues and expenditures.

The following information is derived from the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds in the 2017 to 2019 Comprehensive Annual Financial Reports. This data is based on governmental fund financial statements.

REVENUES

Rockford Park District's total revenue for 2019 totaled \$42.1 million, compared to \$41.0 million in 2018, and \$42.0 million in 2017. The increase in 2019 was mainly due to higher intergovernmental revenue, grants, and donations received for capital projects. The District accounts for all revenues by source. Following are the sources and totals for all funds for 2017 to 2019.

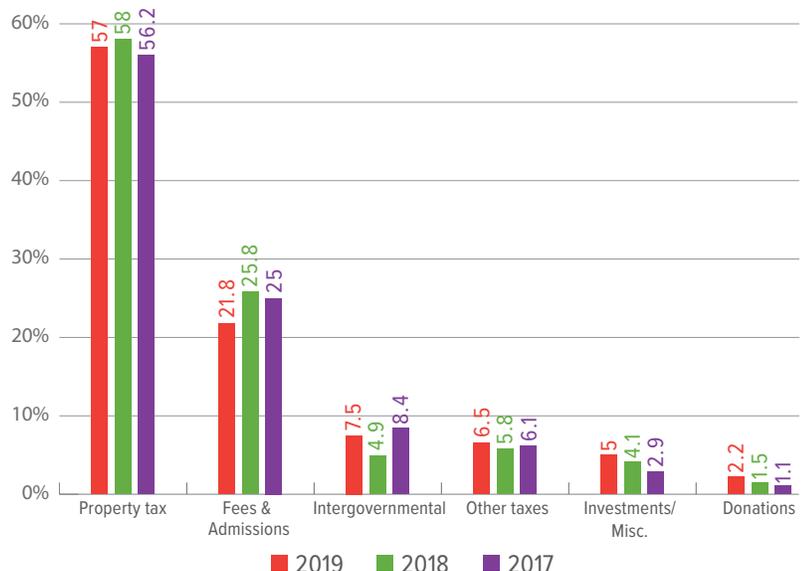
OTHER FINANCING SOURCES

The District also utilizes other sources of funding to support capital projects and expenditures, such as the issuance of bonds, insurance proceeds, and/or the sale of assets. The District utilized other financing sources in the amount of \$7.2 million in 2019, versus \$11.4 million in 2018, and \$13.2 million in 2017. The decrease was primarily due to bond issue proceeds being higher in 2017 and 2018, which supported projects at Mercyhealth Sportscore Two, Illinois Bank & Trust Pavilion at Aldeen Golf Club, and pollution remediation at Sand Park.

REVENUE	2019	2018	2017
Property Taxes Real estate taxes received from property owners based upon the equalized assessed valuation and District tax rate.	\$23,984,045	\$23,782,627	\$23,678,882
Fees and Admissions Resources collected for various facility admissions, programs, services, and rentals provided to the public.	\$9,174,457	\$10,574,969	\$10,528,600
Intergovernmental Resources received from other governments in the form of grants.	\$3,175,076	\$2,004,673	\$3,555,077
Other Taxes Corporate personal property replacement taxes received from the State of Illinois.	\$2,753,535	\$2,364,528	\$2,585,949
Donations Resources received from contributions, primarily from the Rockford Park District Foundation.	\$905,941	\$604,037	\$474,930
Investment/ Miscellaneous Revenue received that does not fall into other categories, such as investment income, sponsorships, advertising, etc.	\$2,121,134	\$1,675,623	\$1,222,528
► Total revenue	\$42,114,188	\$41,006,457	\$42,045,966
Total other financing sources	\$7,215,731	\$11,391,748	\$13,171,680



% of Revenue by Source



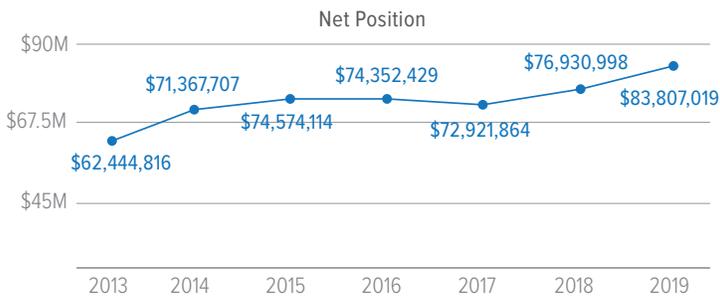
HOW THE PARK DISTRICT ALLOCATES FUNDING

EXPENDITURES AND COMMUNITY RETURN ON INVESTMENT

Total governmental fund expenditures for 2019 totaled \$47.5 million, compared to \$50.8 million in 2018, and \$53.5 million in 2017. The most significant cause of the reduction is the completion of Reclaiming First projects, and the reduction in expenditures in 2019 related to the successful leasing of Magic Waters Waterpark.

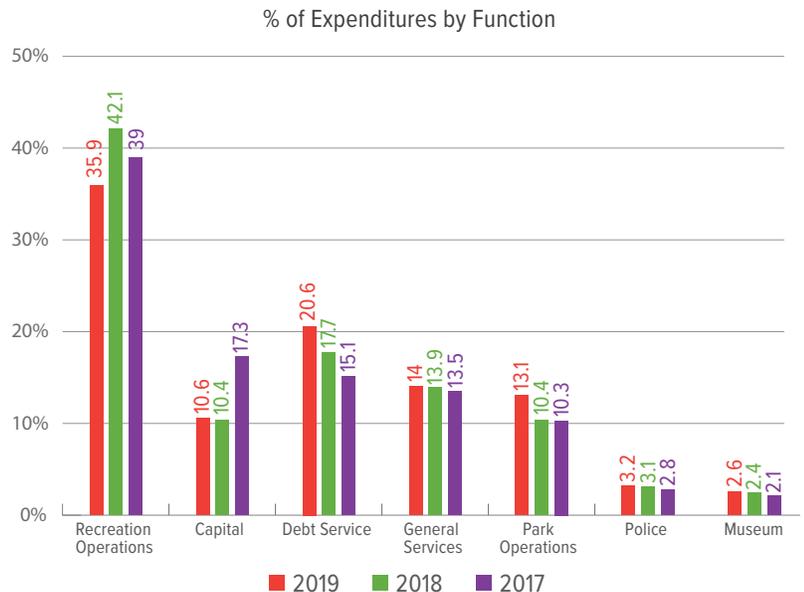
The Rockford Park District's highest priority is to provide the citizens and community with a high return on their investment of property taxes and other sources of funding. Only 13.9% percent of governmental fund expenditures are categorized as Administrative, resulting in 86.1% of expenditures being invested directly back into the community for programs, facilities, safety and security, maintenance, and capital projects.

OVERALL DISTRICT FINANCIAL POSITION



While the governmental fund financial statements provide information on the District's current financial position, the government-wide financial statements provide information on long-term financial position, which includes all assets and liabilities—current and long-term. Net Position represents the value of all assets (and deferred outflows) less the value of all liabilities (and deferred inflows). While there is not a target value for Net Position, it should remain stable over time. This indicates that current services are being funded with current resources, and the District is not passing these costs to future periods. As shown on the chart above, the District's actual net position remains relatively stable year over year. Due to a large reduction in the contingent (or potential) liability for the Sand Park EPA matter, the District's Net Position improved significantly in 2019.

EXPENDITURES	2019	2018	2017
Recreation Operations Includes costs for recreation programming and facilities, including Therapeutic Recreation, throughout the District.	\$17,082,765	\$21,386,393	\$20,855,511
Capital The District continually monitors and updates the capital plan to allocate funds for maintenance of existing parks and facilities.	\$5,019,106	\$5,267,126	\$9,261,841
Debt Service Principal and interest payments toward capital financing sources.	\$9,783,108	\$9,004,915	\$8,075,103
General Service Includes the administrative areas that support operations of the District.	\$6,647,166	\$7,082,577	\$7,191,578
Park Operations The District maintains nearly 5,000 acres of land, including 179 parks, for the community to enjoy.	\$6,228,659	\$5,299,649	\$5,487,190
Police Costs incurred to ensure safety and security in parks and facilities.	\$1,534,619	\$1,552,791	\$1,472,914
Museum Includes costs of Park District support to its museums, and the pass-through of property taxes collected on their behalf.	\$1,244,945	\$1,226,098	\$1,111,238
Total expenditures	\$47,540,368	\$50,819,549	\$53,455,375



Community Impact through the Rockford Park District

The Rockford Park District provides a vibrant park system that increases property values, stimulates economic development, decreases juvenile crime, and improves our communities' health. The Rockford Park District also protects the environment, employs thousands of area kids for the first time, and brings the community together to enjoy life.

Property Value

Rockford Park District is critical to increasing property value.

Key Fact: Research shows that property values can be up to 20% higher if a home is located within 500 feet of a well-maintained park. (Source: Dr. John Crompton, Texas A & M University)



Crime Prevention

The Rockford Park District is committed to increasing and creating youth opportunities and positive experiences that decrease juvenile crime.

Key Fact: It costs \$111,000 to confine one youth for one year in a juvenile facility in Winnebago County. Prevention or intervention? (Source: Justice Policy Institute and Winnebago County Crime & Safety Commission).



Economic Development

Rockford Park District stimulates economic development.

Key Fact: Parks and facilities can ignite redevelopment, revitalization, and investment. A vibrant park system offers a higher quality of life for prospective new homeowners and businesses looking to invest in the community.



Health and Wellness

Rockford Park District facilities and parks provide the opportunity to improve physical and mental well-being through exercise or recreation, which leads to an enhanced quality of life.

Key Fact: National health expenditures hit \$3.35 trillion in 2016, which works out to \$10,348 for every man, woman, and child. That's two times more than any other developed country. (www.cms.gov)



RISE UP!



“What people don’t understand, they don’t value; what they don’t value, they don’t protect; what people don’t protect, they lose.”



Our future starts with you; visit rockfordparkdistrict.org to do your part.



ROCKFORD PARK DISTRICT
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 We welcome the opportunity to assist guests with disabilities. Call or text for info.

CONNECT WITH US!

