

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Years Ended
April 30, 2015 and 2014

**FOX VALLEY PARK DISTRICT
 FAMILY AQUATIC CENTER FUND
 AURORA, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Administrative Board
Family Aquatic Center Fund
c/o Fox Valley Park District
Aurora, Illinois

We have audited the accompanying financial statements of the Family Aquatic Center Fund of the Fox Valley Park District as of and for the years ended April 30, 2015 and 2014, and the related notes to 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 an opinion 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 entity'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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Family Aquatic Center Fund of the Fox Valley Park District as of April 30, 2015 and 2014, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1a, the financial statements present only the Family Aquatic Center Fund of the Fox Valley Park District and do not purport to, and do not, present fairly the financial position of the Fox Valley Park District, as of April 30, 2015 and 2014, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budget versus actual information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits 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.

The Family Aquatic Center Fund has not presented a Management's Discussion and Analysis as required supplementary information which accounting principles generally accepted in the United States of America require 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. Our opinion on the basic financial statements is not affected by this missing information.

Naperville, Illinois
July 10, 2015

A handwritten signature in black ink, appearing to be 'A. J. P.', is written over a horizontal line.

BASIC FINANCIAL STATEMENTS

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS**

BALANCE SHEETS

April 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and investments	\$ 3,555	\$ 3,560
Intergovernmental receivable	333,850	213,941
Due from Fox Valley Park District	333,850	213,941
	TOTAL ASSETS	\$ 671,255
	\$ 671,255	\$ 431,442
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 154,791	\$ 71,316
Unearned revenue	103,889	124,915
Accrued payroll and benefits	805	4,118
Due to the Fox Valley Park District	211,770	31,093
	Total liabilities	471,255
	200,000	200,000
FUND BALANCE		
Restricted for park development	200,000	200,000
	Total fund balance	200,000
	TOTAL LIABILITIES AND	FUND BALANCE
	\$ 671,255	\$ 431,442
	\$ 671,255	\$ 431,442

See accompanying notes to financial statements.

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS**

**STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

For the Years Ended April 30, 2015 and 2014

	2015	2014
REVENUES		
Charges for services	\$ 675,286	\$ 699,183
Rental income	12,934	12,885
Investment income	-	99
Miscellaneous	109	2,417
	688,329	714,584
EXPENDITURES		
Current		
Salaries and wages	131,820	142,046
Employee benefits	20,108	20,513
Other employee expenditures	24,023	25,079
Food and beverage costs	3,330	1,920
Utilities	120,411	143,537
Professional services	142,161	114,277
Contractual services	600	-
Maintenance and repairs	119,967	148,483
Other services	401,142	361,353
Materials and supplies	119,643	115,154
Capital outlay	272,824	70,104
	1,356,029	1,142,466
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(667,700)	(427,882)
OTHER FINANCING SOURCES (USES)		
City operating subsidy	333,850	213,941
District operating subsidy	333,850	213,941
	667,700	427,882
NET CHANGE IN FUND BALANCE	-	-
FUND BALANCE, MAY 1	200,000	200,000
FUND BALANCE, APRIL 30	\$ 200,000	\$ 200,000

See accompanying notes to financial statements.

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

April 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Family Aquatic Center Fund of the Fox Valley Park District (the Family Aquatic Center) have been prepared in accordance 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 Family Aquatic Center accounting policies are described below.

a. Reporting Entity

These financial statements represent only the Family Aquatic Center which is a blended fund in the Fox Valley Park District's reporting entity. Audited financial statements for the Fox Valley Park District have been prepared as of April 30, 2015, and are available under separate cover.

On September 30, 1989, the Fox Valley Park District (the District) entered into an agreement with the City of Aurora (the City) to jointly construct family aquatic centers for the joint use by the citizens of both governmental agencies. The District agreed to be fully responsible for all daily operations including management and administration of the aquatic centers. Under the agreement, all operating deficits are required to be funded equally by the District and the City. All operating surpluses are to be retained for future operations of the aquatic centers. The District's share of the deficit is reported as due from the District and the City's share of the deficit is reported as an intergovernmental receivable.

b. Individual Fund

The operating fund of the Family Aquatic Center is classified as a general fund in this separately issued report, and as a special revenue fund in the District's annual financial report.

c. Basis of Accounting

The financial statements reflect the modified accrual basis of accounting; revenue is recorded when susceptible to accrual (i.e., both measurable and available) and expenditures are recognized when the fund liability is incurred. Proceeds from the sale of pool passes prior to April 30, 2015 and 2014 for the upcoming summer season have been reported as unearned revenue as of April 30, 2015 and 2014.

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items. Such amounts are offset by nonspendable fund balance in the fund financial statements.

e. 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 amount of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

f. 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 (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. The Family Aquatic Center did not have any elements to be reported as deferred inflows or outflows of resources at April 30, 2015 or 2014.

g. Fund Balances

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 results from enabling legislation adopted by the Family Aquatic Center. Committed fund balance is

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Fund Balances (Continued)

constrained by formal actions of the Family Aquatic Center's Administrative Board, which is considered the Family Aquatic Center's highest level of decision-making authority. Assigned fund balance represents amounts constrained by the Family Aquatic Center's intent to use them for a specific purpose. Any residual fund balance is reported as unassigned.

The Family Aquatic Center'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.

2. RESTRICTED FUND BALANCE

Pursuant to the intergovernmental agreement between the District and the City, the City provided a \$100,000 cash reserve fund at the commencement of construction of each of the two aquatic centers. This cash reserve fund is held in a capital reserve revolving fund restricted for future capital costs related to major repairs, replacements and improvements to be made and determined at the discretion of the Family Aquatic Center Administrative Board.

3. PENSION PLAN

Participating and nonparticipating employees are covered by the Illinois Municipal Retirement Fund (IMRF) and by Social Security, respectively. Contributions are paid by the District, and are reimbursed by the Family Aquatic Center. Additional information on the IMRF plan, including funding requirements and the actuarial accrual liability is presented in the comprehensive annual financial report of the District.

4. EMPLOYEE BENEFIT FUND

Since some of the Family Aquatic Center's personnel are employees of the District, they also participate in the District's employee benefit coverage. The District provides health, dental and life insurance coverage and self-insures itself for a portion of the costs. The employee benefit fund is reported in the comprehensive annual financial report of the District.

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

5. INSURANCE COVERAGE

The Family Aquatic Center, through the District, is a member of the Park District Risk Management Agency (PDRMA). PDRMA provides the Family Aquatic Center with property, liability and workers' compensation coverage. Additional information on PDRMA is presented in the comprehensive annual financial report of the District.

6. CAPITAL ASSETS

The capital assets of the Family Aquatic Center are jointly owned (50% each) by the City and the District. Each of these governments reports their share of the capital assets in their financial statements. Therefore, the Family Aquatic Center reports only the continuing operations of the Family Aquatic Center and not its jointly constructed and owned capital assets.

7. CASH

The Family Aquatic Center does not have an investment policy. Instead, as a separate fund of the District, it is governed by the District's investment policy. The District's investment policy limits authorized investments, consistent with Illinois Compiled Statutes (ILCS), to the following: to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, municipal bonds, investment-grade corporate bonds and Illinois Funds.

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

Cash includes amounts in demand deposits, money markets and petty cash. Investments with a maturity greater than one year at time of purchase, if any, are reported at fair value. The Family Aquatic Center's funds were invested only in bank interest-bearing and non-interest-bearing accounts at April 30, 2015 and 2014.

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

7. CASH (Continued)

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 the fair value of the collateral at least 110% of the uninsured deposits with the collateral held by an agent of the District.

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for operating purposes. The investment policy limits the maximum maturity lengths of investments to three years from the date of purchase.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government.

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, in the District's name.

Concentration of credit risk - The District's investment policy requires diversification but does not contain specific diversification targets or limits except to limit the investment in commercial paper to no more than 10% of the portfolio.

Derivatives - The District's investment policy specifically prohibits the use of hedge funds or hedge bonds and investments in derivatives.

REQUIRED SUPPLEMENTARY INFORMATION

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS**

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

For the Year Ended April 30, 2015

	Final Appropriation	Final Budget	Actual	Variance Over (Under)
REVENUES				
Charges for services	\$ 874,502	\$ 874,502	\$ 675,286	\$ (199,216)
Rental income	15,000	15,000	12,934	(2,066)
Investment income	100	100	-	(100)
Miscellaneous income	-	-	109	109
Total revenues	889,602	889,602	688,329	(201,273)
EXPENDITURES				
Aquatic Center - operations				
Salaries and wages	165,020	150,017	131,820	(18,197)
Employee benefits	24,279	22,071	20,108	(1,963)
Other employee expenditures	27,979	25,435	24,023	(1,412)
Food and beverage costs	2,420	2,200	3,330	1,130
Utilities	158,455	144,050	120,411	(23,639)
Professional services	214,532	195,030	142,161	(52,869)
Contractual services	-	-	600	600
Maintenance and repairs	228,758	207,962	119,967	(87,995)
Other services	470,558	427,779	401,142	(26,637)
Materials and supplies	188,981	171,801	119,643	(52,158)
Capital outlay	572,000	520,000	272,824	(247,176)
Total expenditures	2,052,982	1,866,345	1,356,029	(510,316)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,163,380)	(976,743)	(667,700)	309,043
OTHER FINANCING SOURCES (USES)				
City operating subsidy	1,163,380	976,743	333,850	(642,893)
District operating subsidy	-	-	333,850	333,850
Total other financing sources (uses)	1,163,380	976,743	667,700	(309,043)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, MAY 1			200,000	
FUND BALANCE, APRIL 30			\$ 200,000	

(See independent auditor's report.)

**FOX VALLEY PARK DISTRICT
FAMILY AQUATIC CENTER FUND
AURORA, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2015

BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual budgets lapse at the end of the fiscal period.