

For the Year Ending
December 31, 2017



WHERE FUN BEGINS!

Fox Valley Park District

Popular Annual Financial Report



Serving the Illinois Communities of Aurora, Montgomery and North Aurora



To the Residents of the Fox Valley Park District:

May 15, 2018

We are pleased to present the Fox Valley Park District's (FVPD) first Popular Annual Financial Report (PAFR) for the financial year ending December 31, 2017. This report was prepared by the Finance Department to provide readers with an overview of the District's progress and financial performance that is both transparent and easy to understand.

The PAFR summarizes the FVPD's financial activities and performance results primarily gathered in our Comprehensive Annual Financial Report (CAFR) for the 2017 financial year and from our 2018 budget documents. The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and was audited by Sikich LLP, receiving an "unqualified" opinion. An unqualified opinion is given when the auditors can state that the financial information and statements are accurately and fairly presented. The PAFR, on the other hand, is not audited and is simplified for general presentation.

The financial information contained in this document is derived from actual General Accepted Accounting Principal (GAAP) data in the audited financial reports. The report does not include the District's discretely presented component unit, the Fox Valley Park Foundation, nor does it include information on the District's internal service funds.

We hope you enjoy reading this report and invite you to access our CAFR from our website for additional details regarding District finances. We welcome your questions, comments and suggestions. You may contact the Senior Director of Finance and Administration at 630-966-4507 or visit our website at www.foxvalleyparkdistrict.org.

Respectfully Submitted,



Diana Erickson

Senior Director of Finance and Administration

"Enrich our community with fun, diverse and safe park and recreation experiences through environmentally and fiscally responsible actions."

Board of Commissioners



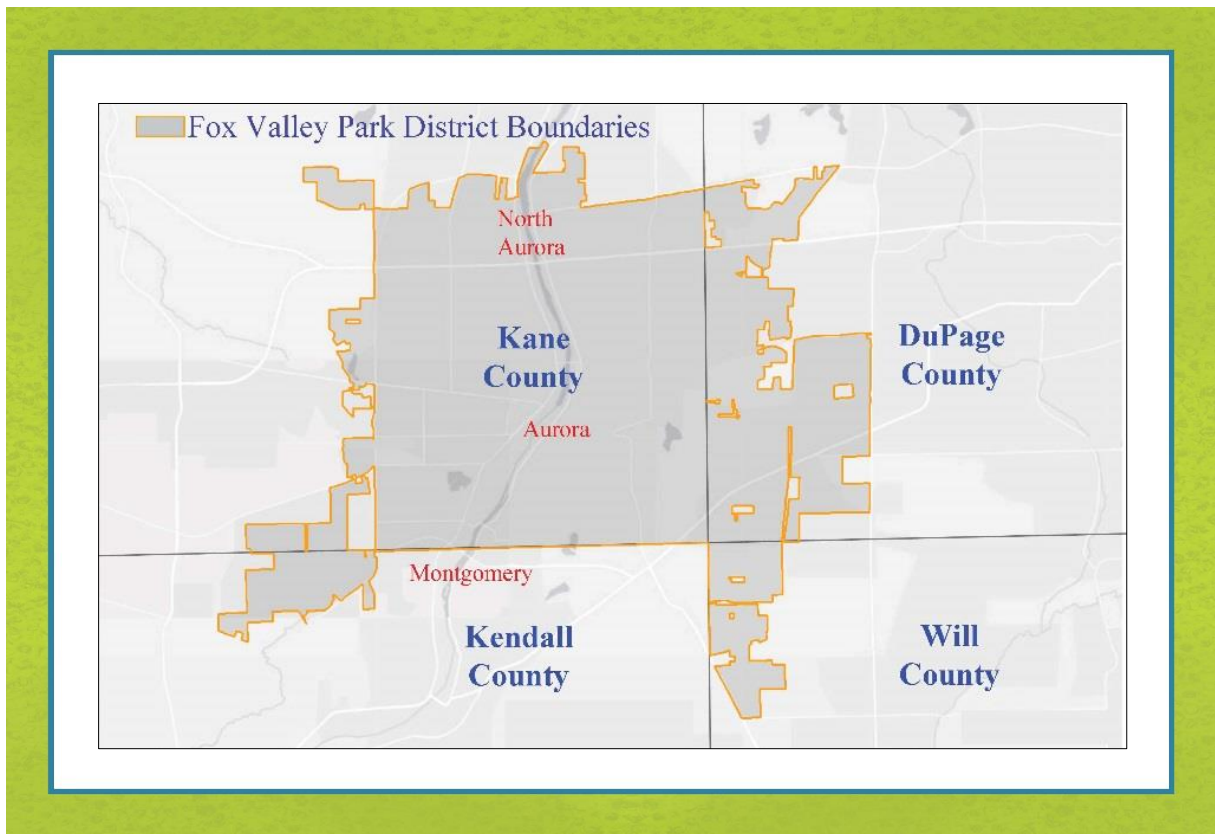
From left to right: President Chuck Anderson, Vice-President Holly Scholz, Commissioner Jerry Butler, Commissioner Mary Anne Cummings, Commissioner Theodia Gillespie, Commissioner Matt Hicks Jr, Commissioner Cynthia Penne

The District is currently governed by an elected seven-member Board of Commissioners. The Board of Commissioners is responsible for governance. The legislation passed in 2014 immediately changed the organization's name to Fox Valley Park District, removing the charter name Pleasure Driveway. The Executive Director, Attorney and Auditors are appointed by the Board of Commissioners. Day-to-day administration of the District is the responsibility of the Executive Director.



Executive Director
James Pilmer





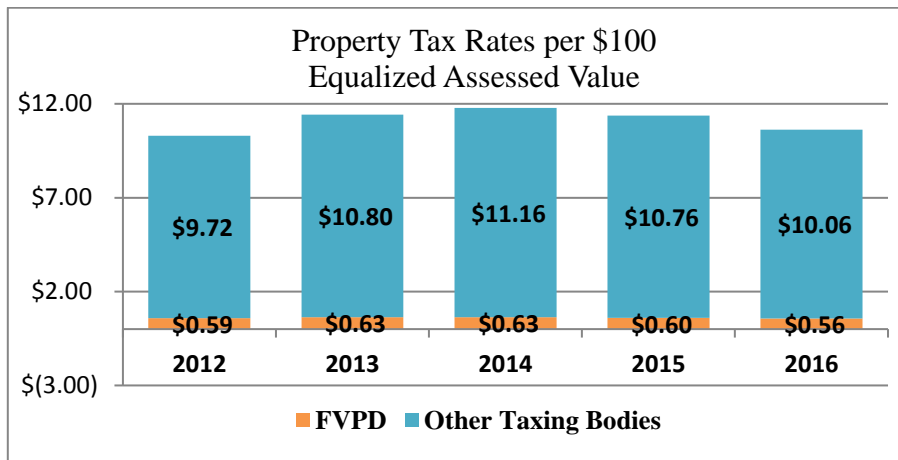
District Quick Facts

- Serving 233,000 residents
- Encompasses 65 square miles
- Overlaps 6-unit school districts
- Three major facilities; largest center is 225,000 square feet
- One museum/theme park
- One nature center
- 2017 welcomed more than 1,500,000 guests
- Two outdoor aquatics facilities
- One 18-hole golf course
- Sports complex for athletics and events
- 2,404 acres of parks, 96 playgrounds, 83 soccer fields
- 1,080 employees on payroll

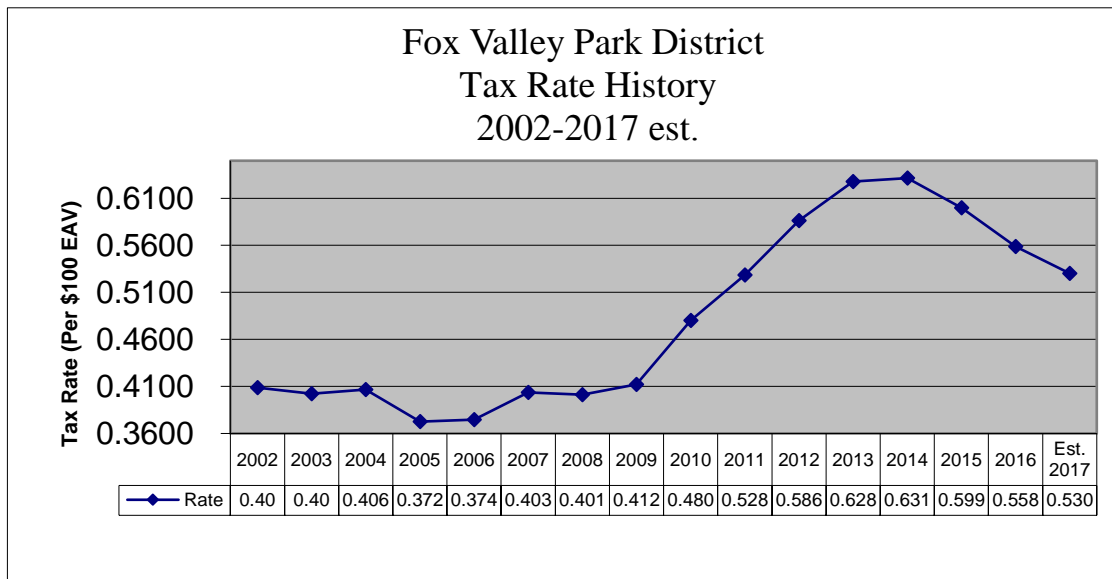


There are many businesses and industries within the District's boundaries. To the right is a listing of the top ten employers within these boundaries.

Top Ten Employers	Number of Employees
Caterpillar Tractor Co.	2,300
Rush-Copley Medical Center	2,200
School District # 129	1,650
School District # 131	1,320
Presence Mercy Medical Center	1,300
City of Aurora	1,280
Advocate Health Care	1,200
School District # 204	1,200
Fox Valley Park District	1,080
Hollywood Casino	1,010



Beginning in 2009, the District voluntarily froze its tax levy for six straight years. The overall aggregate levy remained flat as an effect of the freeze combining with increasing property values. To keep the aggregate levy flat, in 2014 it was necessary to reduce the Corporate fund levy up to \$1,700,000 to pay for Debt Service. The overall effect of the freeze has had an adverse effect on the available maintenance and operations funds. Recently the real estate market has recovered, with fair market values increasing, producing growth in taxable Equalized Assessed Value (EAV). Tax rates and EAV have an inverse relationship; when the EAV of a property goes up, the effective tax rate goes down. The tax rate has declined in the last two years (2015 & 2016) and we fully anticipate the rate to further decline for the 2017 levy.

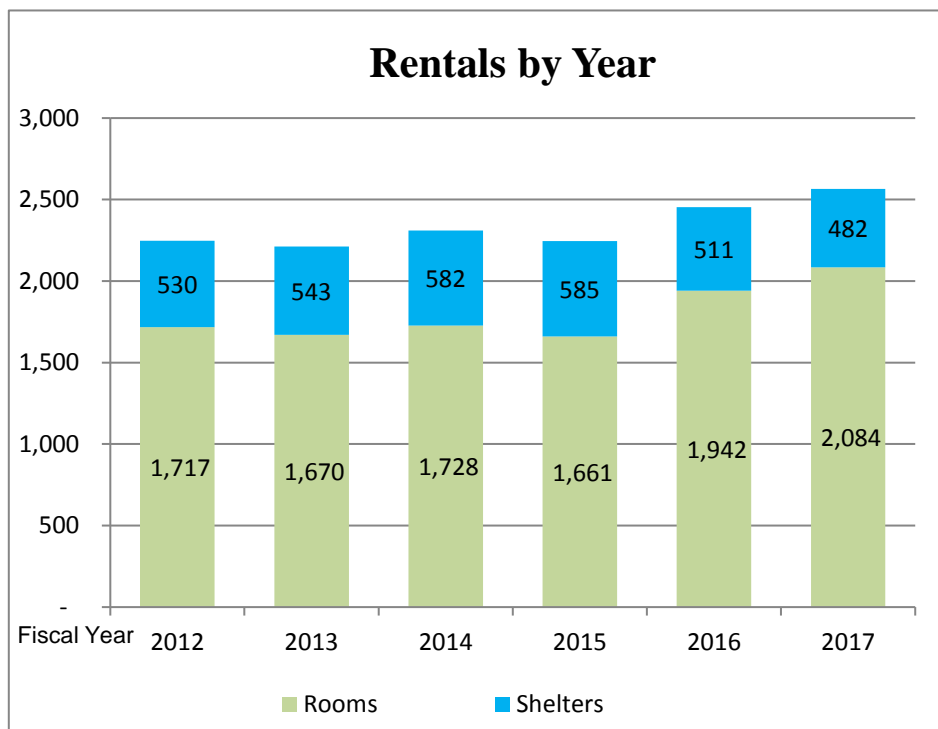
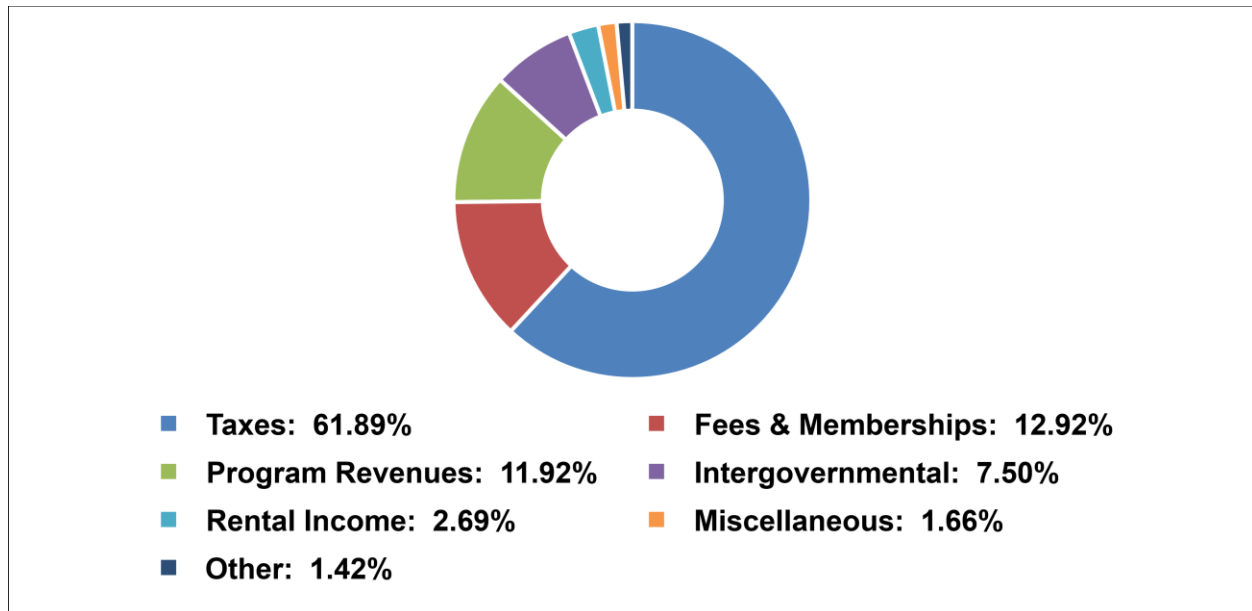


As shown in the chart above, although our levy has remained constant, the Equalized Assessed Valuation (EAV) of the District has decreased for four of these years, and in the last two years has increased which has lowered the tax rate for our residents. The District's EAV is expected to increase again this year which will cause the rate to our residents to decrease. Additionally, the District's debt is decreasing which also lowers the tax rate. The bond rating agencies have given the District a favorable Moody's Aa₁ and S & P Global Rating AA+, which results in a lower interest rate on General Obligation bonds.

Sources of Major Revenues by Fund	
Corporate Fund	
Property Taxes	\$7,246,889
Intergovernmental Income	68,000
Recreation Fund	
Property Taxes	\$4,100,000
Fees & Memberships	3,651,895
Program Revenues	3,912,692
Intergovernmental	2,002,500
Museum	
Property Taxes	\$ 850,000
Fees & Memberships	521,000
Program Revenues	452,684

The other major sources of revenue for the District are listed above. The District's three community and fitness centers -Vaughan Athletic Center, Eola Community Center and Prisco Community Center- account for the majority of the fees, memberships and program revenues at 45.8% of total recreation revenue. The intergovernmental revenue of \$2,000,000 is a PARC grant for the Prisco Community Center.

Total Revenues:

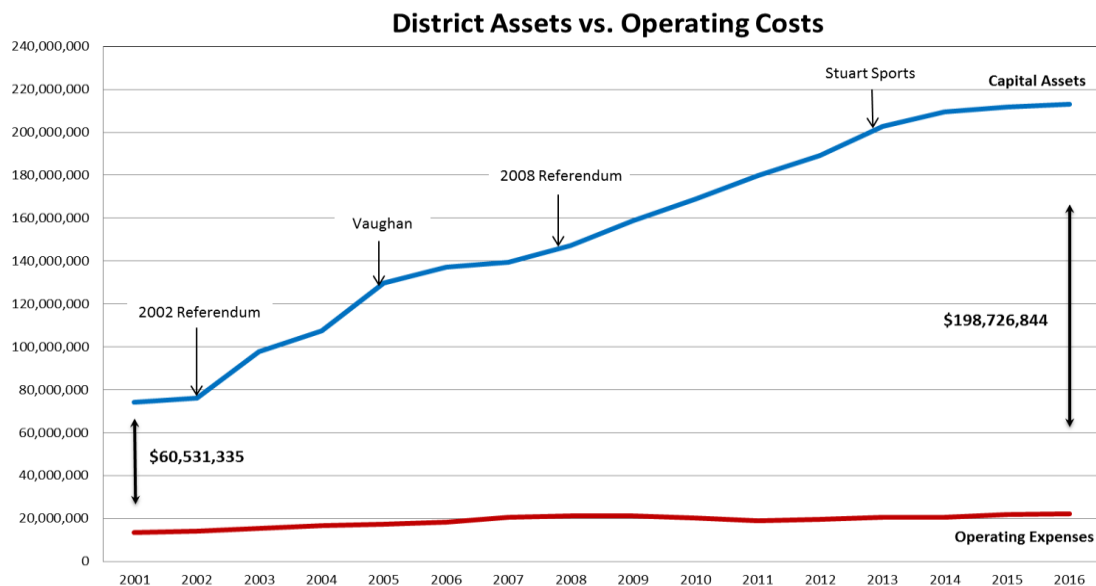


The District has 17 reservable shelters, three community centers and two outdoor nature facilities with rentable space. During 2016 and 2017 the District experienced multiple closures due to flooding and renovations. It is anticipated that the shelter demand will increase, and the District's premier facility, Cool Acres will continue to be rented to capacity as has been the case historically.

Scholarships:

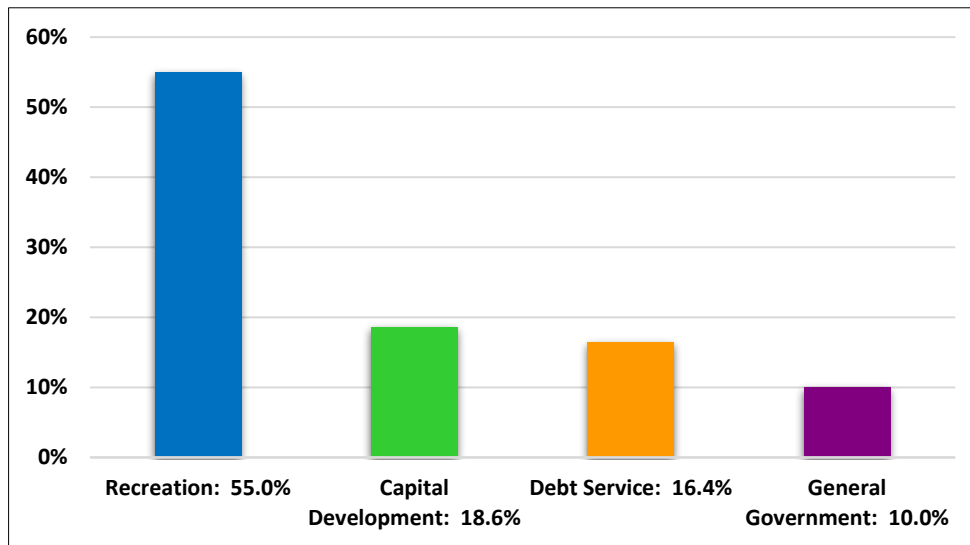
2017	Individuals Awarded	Total Awarded
Spring	918	\$ 36,720
Summer	1,083	\$ 43,320
Fall	1,166	\$ 46,640
Winter	1,129	\$ 45,160
	4,296	\$ 171,840

The District offers scholarship opportunities to qualifying low income individuals and families to participate in programs. Approved applicants receive \$40 per season to apply towards non-contracted programs. In 2017, more than \$171,000 was awarded to over 4,000 individuals. This summary is by season and shows the amounts awarded to individuals.



Due to the disparity in the asset to operating cost ratios, finding new ways to use our capital funds has become a necessity. For example, the District will no longer replace an entire playground. Instead, we will replace the items that are in disrepair to prolong the useful life of the playground. In that same vein, we have hired a performance contracting company to upgrade and replace projects at a total cost of \$2,714,388, which is funded by a tax-exempt lease. The payback from these projects will outweigh the annual lease payments. It is long-term planning such as this that will help sustain the District in some challenging years. In the proposed 2018 budget, capital outlay requests began at \$14,000,000 and ended at over \$10,000,000, with \$2,800,000 supported by grant revenue. Many of the projects were deferred to later years.

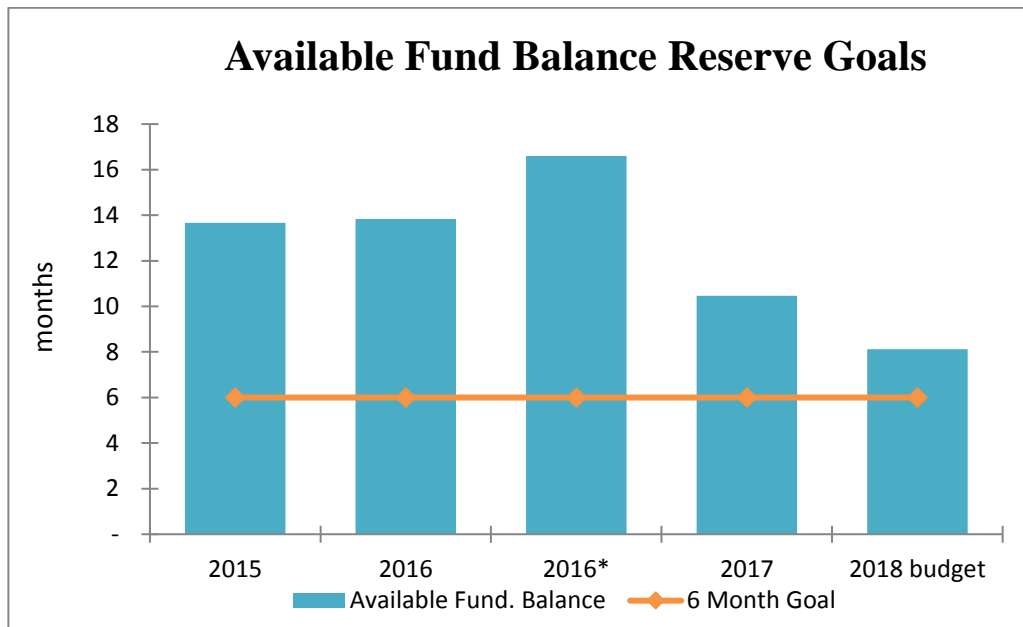
Total Expenditures by Function:



Total Expenses of \$33,000,000 are down 22% from the eight-month prior transitional fiscal year. The largest component, Playground and Recreation, includes all expenses related to maintaining the activities and events offered to our residents. Also included are the facility operation, maintenance, and related capital expenses for the Stuart Sports Complex, marketing, recreation, administration, facility operation and maintenance expenses related to our three community centers, two outdoor aquatics parks, Blackberry Farm and Red Oak Nature Center. As our community centers age, the cost of operations and maintenance are increasing.

The second largest component is the General Government function at 10%, which includes the maintenance and repairs of our 168 parks, related capital expenses, planning, finance, and administration charges. The third component at 16.4% is debt service principle and interest as the District retires debt.





Fund balance is a measure of accumulated financial resources available for discretionary use and determines the District's ability to respond to opportunities and emergencies. It is also an important consideration in the District's bond rating and in the financing of the capital projects of the District. The Fund Balance Policy is to have no less than three months, and at or near six months of operating expenditures in Fund balance. The available funds balance for the two main operating funds, Corporate and Recreation is shown in the graph above. The gradual drawdown of fund balance is the District's conservative approach to follow best practices for fund balance reserves. This is accomplished by transferring excess fund balance to the Capital Development fund for maintenance of our existing assets and replacement of aging vehicles and equipment.

*In 2016, the District changed its fiscal year from April 30th to December 31st.

This year represents a short eight-month transition year.

Year	Revenues -	Expenses	=	Change in Net Position
2014	\$ 36.5	\$ 32.3	\$	4.2
2015	\$ 34.8	\$ 31.5	\$	3.3
2016	\$ 34.3	\$ 31.1	\$	3.2
*2016	\$ 32.3	\$ 24.5	\$	7.9
2017	\$ 36.4	\$ 33.9	\$	2.5
(in millions)				

Net position serves as a useful indicator of a government's financial health. Consistent increases in net position over time shows that the District continues to strengthen its net position. Other factors such as changes in the property tax base, and condition of current assets such as parks, facilities and equipment are also considered when evaluating the overall financial wellbeing of the District.



Fox Valley Park District

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