

2018

POPULAR ANNUAL FINANCIAL REPORT

Year ended December 31, 2018



SERVING THE ILLINOIS COMMUNITIES OF AURORA, MONTGOMERY AND NORTH AURORA

MISSION STATEMENT

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

Fox Valley
Park District
Where fun begins



FOXVALLEYPARKDISTRICT.ORG



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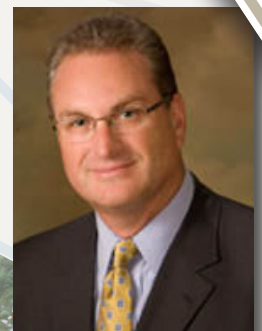


BOARD OF COMMISSIONERS

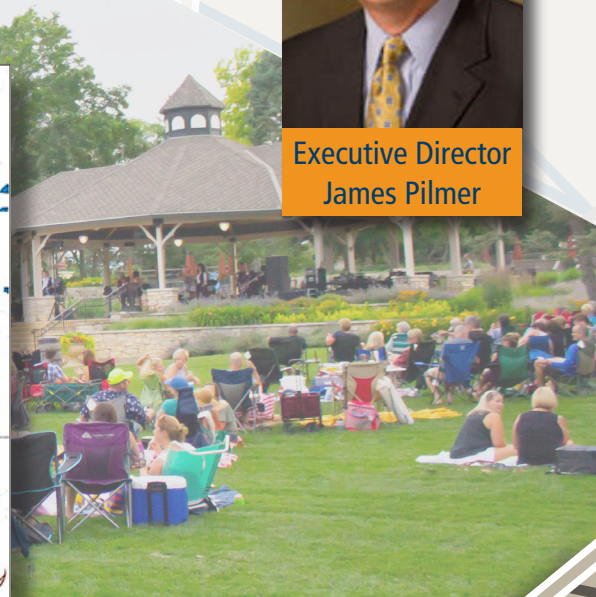
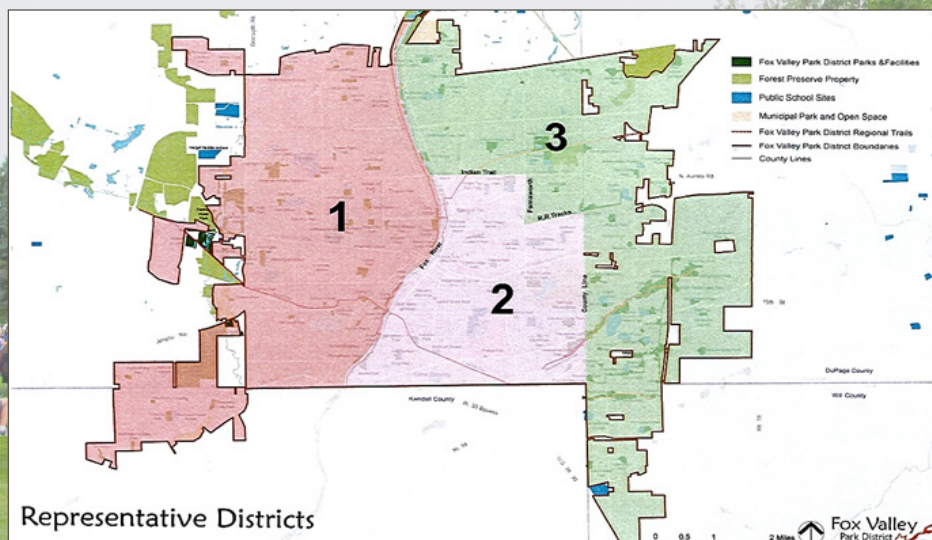


First row from left to right: President Chuck Anderson, District 1, Vice-President Holly Scholz, District 3, Commissioner Jerry Butler, District 2, Commissioner Mary Anne Cummings, District 2 Second row from left to right: Commissioner Theodia Gillespie, At-Large , Commissioner Matt Hicks Jr, District 1, Commissioner Cynthia Penne, District 3

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





WHAT IS THE POPULAR ANNUAL FINANCIAL REPORT (PAFR)

The PAFR summarizes the FVPD's financial activities and performance results primarily gathered in our Comprehensive Annual Financial Report (CAFR) for the 2018 financial year and from our 2019 budget documents. The Comprehensive Annual Financial Report (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 it and our CAFR from our website for additional details regarding District finances. We welcome your questions, comments and suggestions. You may contact the Director of Finance and Administration at 630-966-4507 or visit our website at www.foxvalleyparkdistrict.org.

Outstanding Achievement in PAFR Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the Fox Valley Park District for fiscal year 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest national standards for preparation. The Comprehensive Annual Financial Report (CAFR) one of the supporting documents for this report, also represents award winning work, having earned the GFOA's Certificate of Achievement for Excellence in Financial Reporting for 22 years. The Distinguished Budget Award has been achieved by the District for 8 years.



Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to
**Fox Valley Park District
Illinois**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrell
Executive Director/CEO



FVPD STATISTICS

Founded - **1947**

Employees on Payroll - **1,132**

Residents - **233,000**

Parks - **168**

Acres - **2,404**

Trail Miles - **48**

Shelters - **62**

Playgrounds - **97**

Soccer Fields - **83**



12,589+ Trees Across the District

832 Acres Mowed Internally / **160** Acres of Mowing Contracted

46 Half Basketball Courts and **21** Full Courts

373 Total Pieces of Vehicles and Equipment

62 Acres of Athletic Space Maintained

TOP 10 EMPLOYERS

1. Caterpillar Tractor Co.
2. Rush-Copley Medical Center
3. School District # 129
4. School District # 131
5. Presence Mercy Medical Center
6. City of Aurora
7. Dreyer Medical Clinic
8. School District # 204
9. Hollywood Casino
10. Cabot Microelectronics Corp



PROPERTY TAXES AND ASSESSED VALUATION

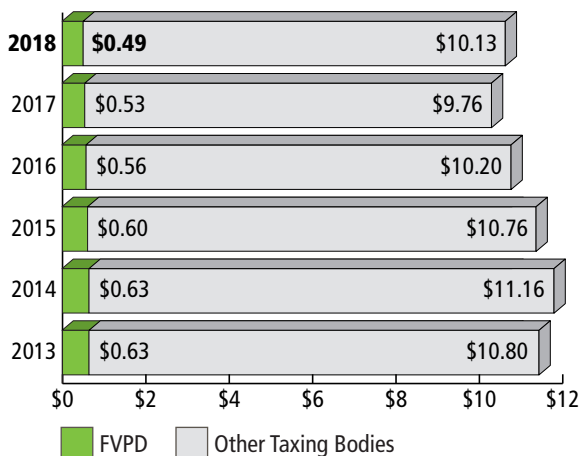
5¢

Less than .05 cents of every property tax dollar goes to the Fox Valley Park District

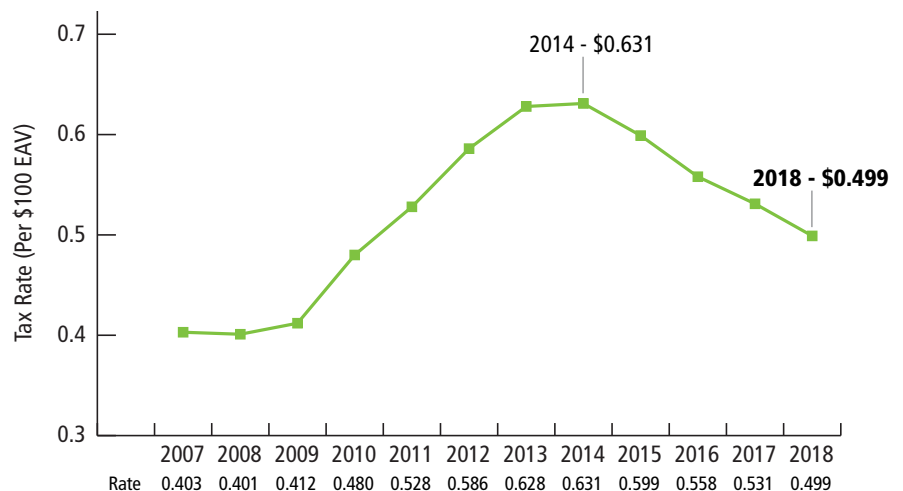
The District voluntarily froze its tax levy for six straight years beginning 2009. The overall aggregate levy remained flat as an effect of the freeze combining with increasing property values. In order to keep the aggregate levy flat it was necessary to reduce the Corporate fund levy up to \$1.7 million in 2014 to pay for Debt Service. The freeze has had an adverse effect on the maintenance and operations funds available. 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 four years and we fully anticipate the rate to further decline for the 2019 levy.

Even though the District's tax levy amount remains constant, the change in the Equalized Assessed Valuation (EAV) of the District has a dramatic effect on the rate. As the economy recovers from the downturn and property values increases the rate our residents pay decrease. This decrease is due to upturn in property values and directly relates to the strengthening economy. The District's EAV is expected to increase again this year which will cause the rate to our residents to decrease next year.

Property Tax Rates per \$100 Equalized Assessed Value



Fox Valley Park District Tax Rate History 2007 - 2018

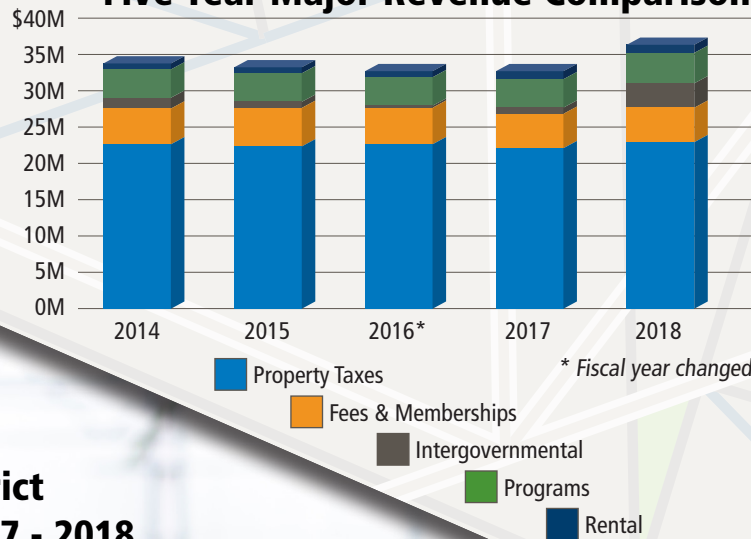


WHERE DOES THE MONEY COME FROM?

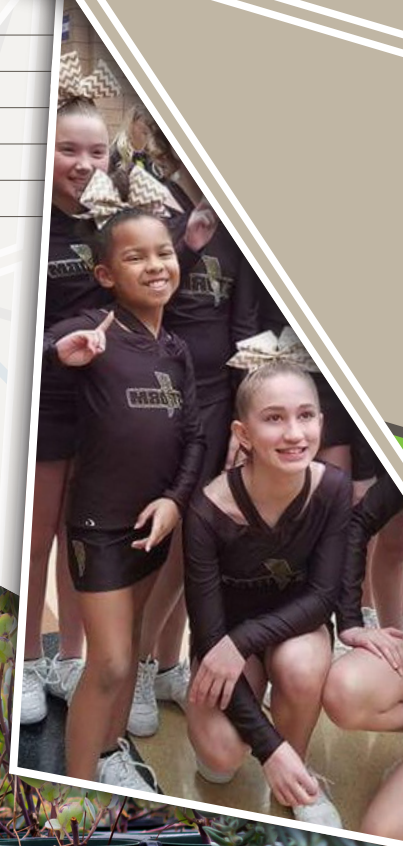
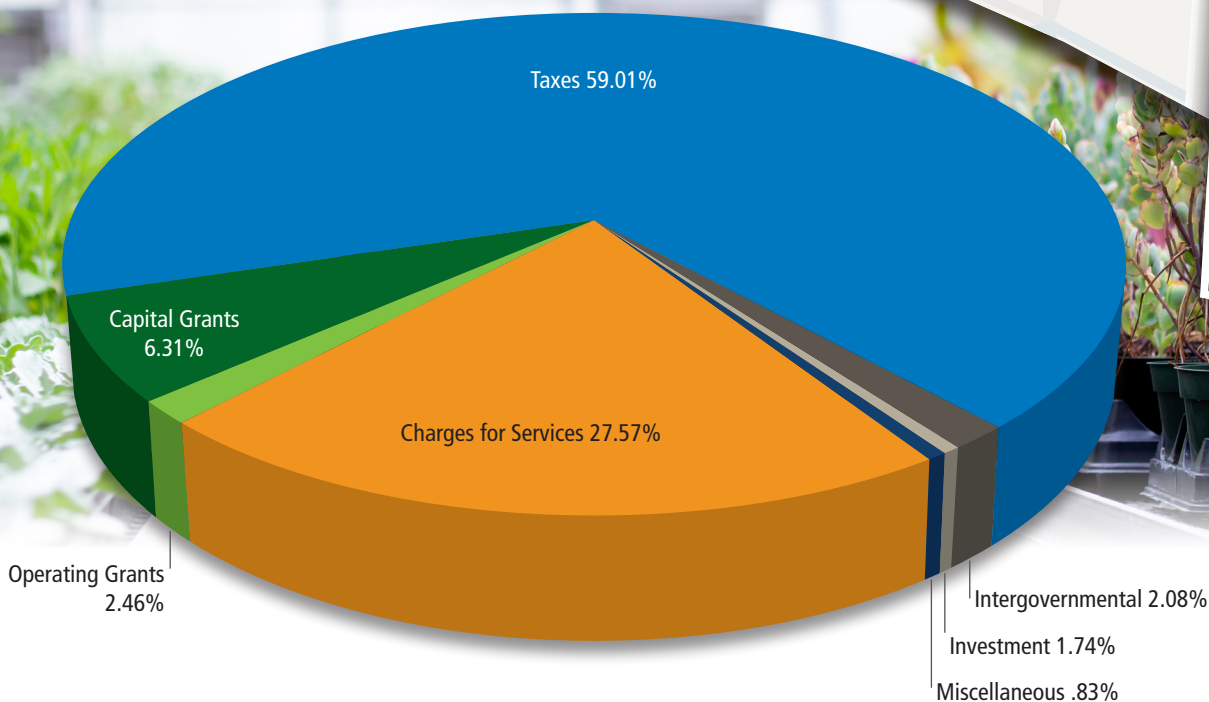
For the financial year ending December 31, 2018, revenues totaled \$38,048,202 which is an increase of \$1,686,901 from last year. This increase is primarily related to the District's Capital Grants and Contributions which relates to the State of Illinois PARC grant. The District's largest sources of revenue are from Property Taxes and Charges for Services, which combined accounted for \$32,938,749 or 86.6% of the District's total revenue.

| Revenue Type | 2018 |
|----------------------|---------------------|
| Taxes | \$ 22,450,758 |
| Charges for Services | 10,487,991 |
| Capital Grants | 2,399,617 |
| Operating Grants | 938,284 |
| Intergovernmental | 794,895 |
| Investment | 660,394 |
| Miscellaneous | 316,263 |
| Total revenue | \$38,048,202 |

Five Year Major Revenue Comparison



Fox Valley Park District Tax Rate History 2007 - 2018

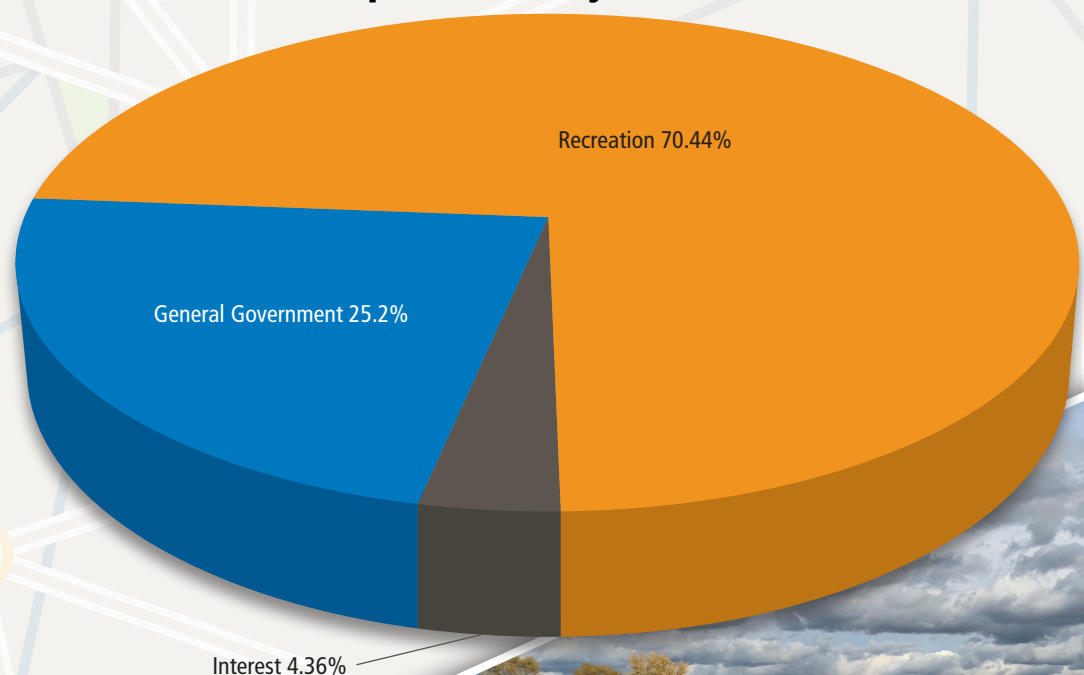


WHERE DOES THE MONEY GO?

For the fiscal year beginning January 1, 2018 and ending December 31, 2018, total expenses were \$35,632,465 which is a \$1,734,131 increase from the prior financial year. The largest component, Playground and Recreation (70.44%), includes all expenses related to maintaining the activities and events offered to our residents. In addition, Recreation includes \$2,000,000 of the Prisco renovation project expenses. 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 25.2% which includes the maintenance and repairs of our 168 parks, related capital expenses, planning, finance, and administration charges. The third component at 4.36% is debt service principal and interest as the District retires debt this number has decreased substantially in the last few years.

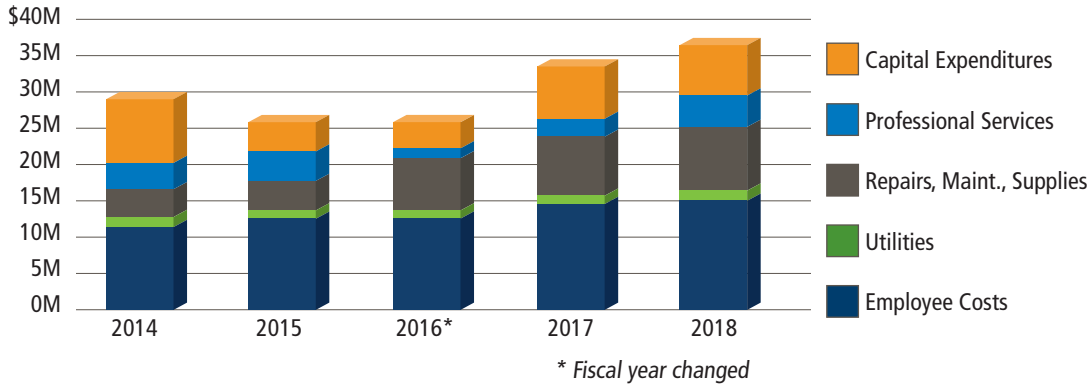
Expenditures by Function



FIVE YEAR COMPARISON – MAJOR EXPENDITURES

Expenditures have varied through the years. Capital needs and initiatives change from year to year. Employee costs have increased due to the re-structuring initiative. Another area of concern is the increase in repairs and maintenance for the District's aging infrastructure.

Five Year Major Expenditure Comparison



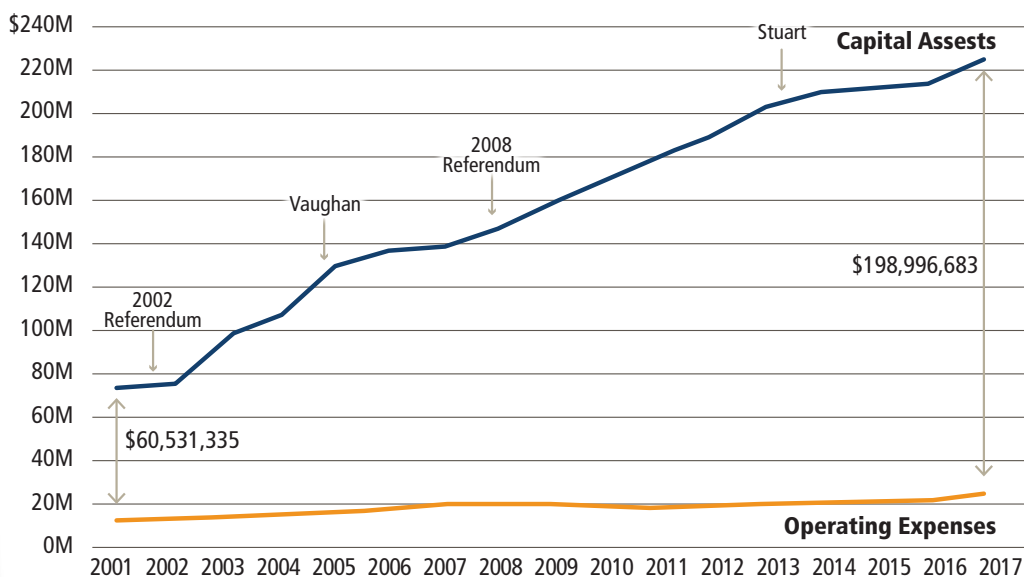
| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Employee Costs | \$ 11,579,439 | \$ 12,536,566 | \$ 12,619,933 | \$ 14,608,685 | \$ 15,001,111 |
| Utilities | 1,221,661 | 1,155,364 | 1,175,308 | 1,164,562 | 1,394,874 |
| Repairs, Maintenance, Supplies | 3,793,995 | 4,092,872 | 7,220,989 | 7,948,559 | 8,761,877 |
| Professional Services | 3,590,068 | 3,965,790 | 1,279,954 | 2,668,554 | 4,187,788 |
| Capital expenditures | 8,801,040 | 4,143,218 | 3,585,302 | 7,072,325 | 7,105,259 |



CAPITAL AND OPERATING COSTS

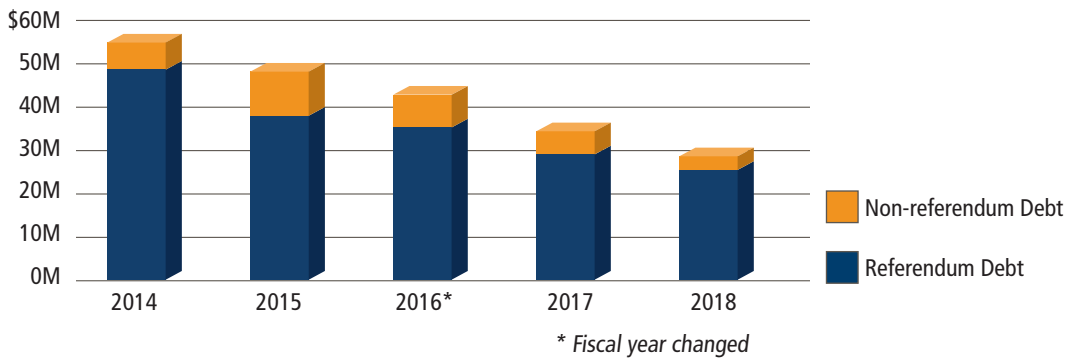
The District has had two successful capital project referendums in the last 16 years that were overwhelmingly approved by voters; a \$22 million referendum in 2002 which built our largest facility, the Vaughan Athletic Center, and one for \$44.9 million in 2008 for various large projects and open space acquisition. Combined, these referendums created District asset expansion of \$150,460,567, a 203% increase since 2002. As illustrated in the chart below, the District dramatically increased its capital assets but the maintenance and operations to care for these new assets remained flat. In addition, the aggregate tax levy was voluntarily frozen from 2010 to 2016 which means if the debt service for that year increased it would have to be abated out of the Corporate fund limiting the taxes received in that fund. The voluntary freeze on the levy adversely affected the additional funds for operations and maintenance. Due to the disparity in the asset to operating ratios, looking for new ways to use our capital funds has become a necessity.

District Assests Vs. Operating Costs



LONG-TERM BOND DEBT

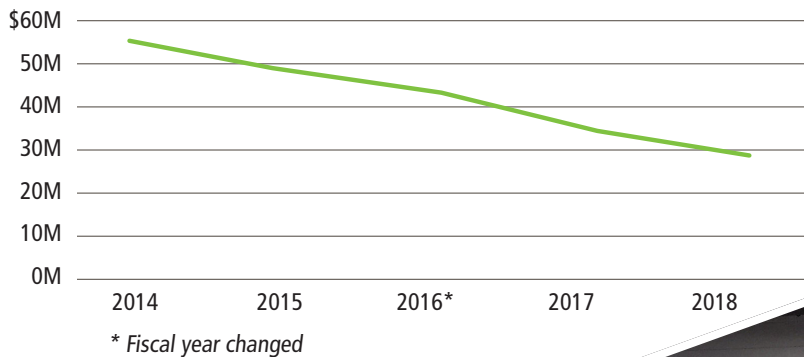
Five Year Long-term Bond Debt by Type



The above graph shows a comparison of the last five years of both Referendum debt and Non- Referendum debt. The majority of the debt the District holds has been for two referendums that were voter approved for capital projects the last referendum increased the District's assets substantially. The challenge that is faced is to maintain these additional assets with the same amount of property tax dollars. The District has been very careful to only increase additional bond money when needed. It is necessary for the District to have short term bonds for infrastructure replacements. With 18 sites, 3 large facilities, 168 parts etc. it is necessary for the District to bond for these needed capital items.

Fox Valley Park District received an Aa1 Moody's rating and a S&P Global rating of AA+ which translates into a lower rate of interest for any short-term bond money required. Currently the District has \$3 million in non-referendum bonds and \$25,700,000 in referendum bonds.

Five Year Long-term Bond Debt





COMMUNITY IMPACT

PROPERTY VALUE

Fox Valley Park District is critical to maintaining and increasing your property value.

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 (National Recreation and Parks Association).

ECONOMIC DEVELOPMENT

Fox Valley Park District is a key driver of economic development.

FACT: Parks, facilities, fields and amenities provided can ignite development, revitalization, and investment. A vibrant park system offers a higher quality of life for prospective new home owners and businesses looking to invest in the community.

HEALTH & WELLNESS

Fox Valley Park District facilities and parks provide the opportunity to improve physical and mental wellness through exercise or recreation, which leads to an enhanced quality of life.

FACT: National health expenditures hit \$3.35 trillion in 2016, which works out to more than \$10,000 for every man, woman and child. That's twice as much as any other developed country (www.cms.gov).

YOUTH AND SOCIAL EQUITY

The Fox Valley Park District and its Foundation has awarded hundreds of thousands of dollars in scholarships and grants to underserved area youth. This gives our youth positive opportunities to develop meaningful lifetime skills and hobbies while strengthening our community through reductions in juvenile crime. Keeping youth actively engaged in camps, programs and other events is core to our mission.



7 CORE VALUES

1. Develop Strong Relationships
2. Diversity and Inclusion
3. Create Partnerships
4. Business Collaboration
5. Culture of Achievement
6. Consistent Excellence
7. Never Satisfied

CONTACT US

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