



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

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

**For the Years Ended December 31, 2018 and 2017**



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**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 (the Family Aquatic Center) as of and for years ended December 31, 2018 and 2017, and the related notes to financial statements, which comprise the basic financial statements of the Family Aquatic Center 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Family Aquatic Center'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 Family Aquatic Center'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 December 31, 2018 and 2017, 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 and do not purport to, and do not present fairly the financial position of the Fox Valley Park District, as of December 31, 2018 and 2017, 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 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.

*Sikich LLP*

Naperville, Illinois  
March 21, 2019

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

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

**BALANCE SHEETS**

December 31, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Intergovernmental receivable	\$ 433,808	\$ 619,806
Prepaid items	-	1,600
Due from Fox Valley Park District	433,808	619,806
	<b>TOTAL ASSETS</b>	<b>\$ 1,241,212</b>
	<b>\$ 867,616</b>	<b>\$ 1,241,212</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 53,995	\$ 19,711
Accrued payroll and benefits	3,988	3,025
Due to the Fox Valley Park District	609,633	1,018,476
	Total liabilities	1,041,212
	667,616	1,041,212
<b>FUND BALANCE</b>		
Nonspendable in form - prepaid items	-	1,600
Restricted for park development	200,000	198,400
	Total fund balance	200,000
	200,000	200,000
	<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,241,212</b>
	<b>\$ 867,616</b>	<b>\$ 1,241,212</b>

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 December 31, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Charges for services	\$ 709,437	\$ 685,838
Rental income	15,779	18,505
Intergovernmental	1,828	-
Miscellaneous	3,122	6,979
Total revenues	730,166	711,322
<b>EXPENDITURES</b>		
Current		
Salaries and wages	194,701	206,242
Employee benefits	32,945	44,756
Other employee expenditures	1,083	610
Utilities	249,066	185,547
Professional services	74,560	81,121
Maintenance and repairs	492,044	236,695
Other services	346,925	348,836
Materials and supplies	206,458	162,506
Capital outlay	-	684,621
Total expenditures	1,597,782	1,950,934
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>		
	(867,616)	(1,239,612)
<b>OTHER FINANCING SOURCES (USES)</b>		
City subsidy	433,808	619,806
District subsidy	433,808	619,806
Total other financing sources (uses)	867,616	1,239,612
<b>NET CHANGE IN FUND BALANCE</b>		
	-	-
<b>FUND BALANCE, BEGINNING OF PERIOD</b>		
	200,000	200,000
<b>FUND BALANCE, END OF PERIOD</b>		
	\$ 200,000	\$ 200,000

See accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2018 and 2017

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**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 December 31, 2018, 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 December 31, 2018 and 2017 for the upcoming summer season have been reported as unearned revenue as of December 31, 2018 and 2017, respectively.



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

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**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 GAAP 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 December 31, 2018 or 2017.

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 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.

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

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

g. Fund Balances (Continued)

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 social security. Contributions are paid by the District and are reimbursed by the Family Aquatic Center.

**4. 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.

**5. 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.

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

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**6. 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 Centers did not have any amounts required to be reported at fair value as of December 31, 2018 and 2017, respectively.

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.

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

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**6. CASH (Continued)**

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 December 31, 2018

	Final Appropriation	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>				
Charges for services	\$ 703,750	\$ 703,750	\$ 709,437	\$ 5,687
Rental income	15,600	15,600	15,779	179
Intergovernmental	-	-	1,828	1,828
Miscellaneous income	7,200	7,200	3,122	(4,078)
Total revenues	726,550	726,550	730,166	3,616
<b>EXPENDITURES</b>				
Aquatic Center - operations				
Salaries and wages	263,100	239,181	194,701	(44,480)
Employee benefits	45,905	41,731	32,945	(8,786)
Other employee expenditures	3,410	3,100	1,083	(2,017)
Utilities	137,522	125,020	249,066	124,046
Professional services	80,630	73,300	74,560	1,260
Maintenance and repairs	227,490	206,808	492,044	285,236
Other services	391,805	356,189	346,925	(9,264)
Materials and supplies	282,806	257,096	206,458	(50,638)
Total expenditures	1,432,668	1,302,425	1,597,782	295,357
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(706,118)	(575,875)	(867,616)	(291,741)
<b>OTHER FINANCING SOURCES (USES)</b>				
City subsidy	706,118	575,875	433,808	(142,067)
District subsidy	-	-	433,808	433,808
Total other financing sources (uses)	706,118	575,875	867,616	291,741
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE, JANUARY 1			200,000	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 200,000</b>	

(See independent auditor's report.)

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

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**BUDGETS**

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

Expenditures exceeded the operating budget and appropriation by \$295,357 and \$165,114, respectively, for the year ended December 31, 2018.