



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

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended December 31, 2021 and 2020



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

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Balance Sheets	4
Statements of Revenues, Expenditures and Changes in Fund Balance	5
Notes to Financial Statements.....	6-10
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	11
Notes to Required Supplementary Information	12

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021 and 2020, and the related notes to financial statements, which collectively comprises the Family Aquatic Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Family Aquatic Center Fund, a component unit of Fox Valley Park District, Aurora, Illinois as of December 31, 2021 and 2020, and the respective changes in financial position 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, 2021 and 2020, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Family Aquatic Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Family Aquatic Center's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Family Aquatic Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audit 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

May 25, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

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

BALANCE SHEETS

December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ -	\$ -
Intergovernmental receivable	302,334	241,071
Other receivables	1,131	-
Prepaid items	-	1,905
Due from Fox Valley Park District	302,334	241,071
	TOTAL ASSETS	TOTAL ASSETS
	\$ 605,799	\$ 484,047
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 43,168	\$ 27,167
Accrued payroll and benefits	106	898
Due to the Fox Valley Park District	362,525	255,982
	Total liabilities	Total liabilities
	405,799	284,047
FUND BALANCE		
Nonspendable in form - prepaid items	-	1,905
Restricted for park development	200,000	198,095
	Total fund balance	Total fund balance
	200,000	200,000
TOTAL LIABILITIES AND FUND BALANCE		
	\$ 605,799	\$ 484,047

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, 2021 and 2020

	2021	2020
REVENUES		
Charges for services	\$ 585,314	\$ 36
Rental income	6,662	-
Miscellaneous	11,472	-
Total revenues	603,448	36
EXPENDITURES		
Current		
Salaries and wages	167,616	97,498
Employee benefits	175,082	22,842
Other employee expenditures	11,874	-
Utilities	208,202	78,991
Professional services	45,261	15,158
Maintenance and repairs	335,667	77,206
Other services	56,753	60,589
Materials and supplies	188,654	71,212
Food and beverage	3,147	-
Capital outlay	11,750	58,682
Debt service		
Principal retirement	4,071	-
Interest and fiscal charges	39	-
Total expenditures	1,208,116	482,178
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(604,668)	(482,142)
OTHER FINANCING SOURCES (USES)		
City subsidy	302,334	241,071
District subsidy	302,334	241,071
Total other financing sources (uses)	604,668	482,142
NET CHANGE IN FUND BALANCE	-	-
FUND BALANCE, BEGINNING OF YEAR	200,000	200,000
FUND BALANCE, END OF YEAR	\$ 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, 2021 and 2020

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 component unit 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, 2021, 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, 2021 and 2020 for the upcoming summer season have been reported as unearned revenue as of December 31, 2021 and 2020, respectively.

**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 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, 2021 or 2020.

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)**

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 annual comprehensive financial report of the District.

The Family Aquatic Center, through the District, purchases health insurance from an insurance broker for the benefit of its employees.

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)

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 The 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, 2021 and 2020, 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)**

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, 2021

	Final Appropriation	Final Budget	Actual	Variance Over (Under)
REVENUES				
Charges for services	\$ 698,965	\$ 698,965	\$ 585,314	\$ (113,651)
Rental income	6,500	6,500	6,662	162
Miscellaneous	8,200	8,200	11,472	3,272
Total revenues	<u>713,665</u>	<u>713,665</u>	<u>603,448</u>	<u>(110,217)</u>
EXPENDITURES				
Aquatic Center - operations				
Salaries and wages	282,286	256,624	167,616	(89,008)
Employee benefits	342,366	311,240	175,082	(136,158)
Other employee expenditures	20,052	18,230	11,874	(6,356)
Utilities	224,840	204,400	208,202	3,802
Professional services	27,610	25,100	45,261	20,161
Maintenance and repairs	187,550	170,500	335,667	165,167
Other services	95,150	86,500	56,753	(29,747)
Materials and supplies	262,116	238,288	188,654	(49,634)
Food and beverage	-	-	3,147	3,147
Capital outlay	30,250	27,500	11,750	(15,750)
Debt service				
Principal retirement	-	-	4,071	4,071
Interest and fiscal charges	-	-	39	39
Total expenditures	<u>1,472,220</u>	<u>1,338,382</u>	<u>1,208,116</u>	<u>(130,266)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(758,555)</u>	<u>(624,717)</u>	<u>(604,668)</u>	<u>20,049</u>
OTHER FINANCING SOURCES (USES)				
City subsidy	758,555	312,359	302,334	(10,025)
District subsidy	-	312,358	302,334	(10,024)
Total other financing sources (uses)	<u>758,555</u>	<u>624,717</u>	<u>604,668</u>	<u>(20,049)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE, JANUARY 1			<u>200,000</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 200,000</u>	

(See independent auditor's report.)

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

BUDGETS

Budgets are adopted on a basis consistent with GAAP. All annual budgets lapse at the end of the fiscal period. The legal level of budgetary control is the fund level.