

FOX VALLEY SPECIAL RECREATION
ASSOCIATION, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2019

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

TABLE OF CONTENTS

| | PAGE |
|---|-------------|
| <u>FINANCIAL SECTION</u> | |
| INDEPENDENT AUDITORS' REPORT | 1 - 2 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 3 - 8 |
| BASIC FINANCIAL STATEMENTS | |
| Government-Wide Financial Statements | |
| Statement of Net Position | 9 - 10 |
| Statement of Activities | 11 - 12 |
| Fund Financial Statements | |
| Balance Sheet – Governmental Fund | 13 |
| Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities | 14 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund | 15 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities – Governmental Activities | 16 |
| Notes to Financial Statements | 17 - 43 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of Employer Contributions | |
| Illinois Municipal Retirement Fund | 44 |
| Schedule of Changes in the Employer's Net Pension Liability | |
| Illinois Municipal Retirement Fund | 45 - 46 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance | |
| Budget to Actual | 47 |
| OTHER SUPPLEMENTARY INFORMATION | |
| Schedule of Expenditures – Budget and Actual | 48 - 50 |
| SUPPLEMENTAL SCHEDULE | |
| Schedule of Property Tax Information | 51 - 53 |

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

October 14, 2019

Members of the Board of Directors
Fox Valley Special Recreation Association
Aurora, Illinois

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and the aggregate remaining fund information of the Fox Valley Special Recreation Association, Illinois, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Association's basic 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 opinions 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 of 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 Association'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 Association'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the discretely presented component unit of the Fox Valley Special Recreation Association, Illinois, as of April 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fox Valley Special Recreation Association, Illinois' basic financial statements. The individual fund budgetary comparison schedule and supplemental schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparison schedule and supplemental schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary comparison schedule and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis April 30, 2019

Our discussion and analysis of the Fox Valley Special Recreation Association's ("Association") financial performance provides an overview of the Association's financial activities for the fiscal year ended April 30, 2019. Please read it in conjunction with the financial statements which begin on page 9.

FINANCIAL HIGHLIGHTS

- The Association's net position increased as a result of this year's operations by \$155,508 or 6.3 percent.
- During the year, government-wide revenues totaled \$3,051,322, while expenses totaled \$2,895,814, resulting in the increase to net position of \$155,508.
- The Association's net position totaled \$2,615,386 at April 30, 2019, which included \$1,668,203 unrestricted net position that may be used to meet the ongoing obligations to participants and creditors.
- At the fund level, a surplus was reported this year of \$136,313, resulting in ending fund balance of \$1,807,204, an increase of 8.2 percent.
- Beginning net position was restated due to correction of an error between the Association and the Foundation, which is a component unit of the Association.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 - 12) provide information about the activities of the Association as a whole and present a longer-term view of the Association's finances. Fund financial statements begin on page 13. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Association's operations in more detail than the government-wide statements.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Association's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 9 - 12 of this report.

The Statement of Net Position reports information on all of the Association's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Association is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Association's member district assessments and the condition of the Association's capital assets, is needed to assess the overall health of the Association.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis April 30, 2019

USING THIS ANNUAL REPORT – Continued

Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Association, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Association is reported as one single governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Association's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The Association adopts an annual appropriated budget. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13 - 16 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 - 43 of this report.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis April 30, 2019

USING THIS ANNUAL REPORT – Continued

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Association's I.M.R.F. employee pension obligations and budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 44 - 47 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Association, assets/deferred outflows exceeded liabilities/deferred inflows by \$2,615,386.

| | Net Position | |
|-------------------------------------|--------------|-----------|
| | 2019 | 2018 |
| Current and Other Assets | \$ 2,104,271 | 2,063,648 |
| Capital Assets | 947,183 | 961,677 |
| Total Assets | 3,051,454 | 3,025,325 |
| Deferred Outflows | 226,054 | 34,045 |
| Total Assets/ Deferred Outflows | 3,277,508 | 3,059,370 |
| Long-Term Debt | 189,485 | 37,866 |
| Other Liabilities | 307,133 | 267,684 |
| Total Liabilities | 496,618 | 305,550 |
| Deferred Inflows | 165,504 | 270,035 |
| Total Liabilities/ Deferred Inflows | 662,122 | 575,585 |
| Net Position | | |
| Net Investment in Capital Assets | 947,183 | 961,677 |
| Unrestricted | 1,668,203 | 1,522,108 |
| Total Net Position | 2,615,386 | 2,483,785 |

A portion of the Association's net position, \$947,183 or 36.2 percent, reflects its investment in capital assets (for example, building, vehicles, and equipment). The Association uses these capital assets to provide services to program participants; consequently, these assets are not available for future spending.

The remaining 68.3 percent, or \$1,668,203, represents unrestricted net position and may be used to meet the Association's ongoing obligations to program participants and creditors.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

| | Changes in Net Position | |
|--------------------------------------|-------------------------|-----------|
| | 2019 | 2018 |
| Revenues | | |
| Program Revenues | | |
| Charges for Services | \$ 994,943 | 958,215 |
| Operating Grants/Contrib. | 12,969 | 13,704 |
| Capital Grants/Contrib. | 33,087 | - |
| General Revenues | | |
| Member Contributions | 1,896,765 | 1,896,765 |
| Other Income | 113,558 | 21,747 |
| Total Revenues | 3,051,322 | 2,890,431 |
| Expenses | | |
| Special Recreation | 2,895,814 | 2,757,658 |
| Change in Net Position | 155,508 | 132,773 |
| Net Position - Beginning as Restated | 2,459,878 | 2,351,012 |
| Net Position - Ending | 2,615,386 | 2,483,785 |

Net position of the Association increased by 6.3 percent (\$2,459,878 restated in 2018 compared to \$2,615,386 in 2019). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$1,668,203 at April 30, 2019.

Revenues for 2019 totaled \$3,051,322, while the cost of all programs totaled \$2,895,814. This results in a surplus of \$155,508. In 2018, revenues of \$2,890,431 exceeded expenses of \$2,757,658, resulting in a surplus of \$132,773. The Association reported increases in charges for services for the year of \$36,728. Expenses for the 2019 fiscal year increased \$138,156, due to the higher expenses related to IMRF net pension liability. Member contributions stayed the same at \$1,896,765 for both fiscal years.

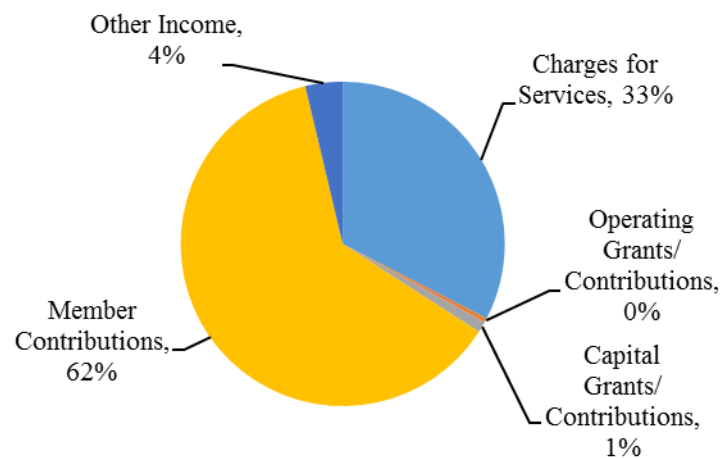
FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis April 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

The following table graphically depicts the major revenue sources of the Association. It depicts very clearly the reliance on member contributions and program fees to fund programs. It also clearly identifies the less significant percentage the Association receives from interest earnings.

Revenues by Source - Governmental Activities



FINANCIAL ANALYSIS OF THE ASSOCIATION'S OPERATING FUND

As noted earlier, the Association uses a single governmental fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Association's operating fund reported ending fund balance of \$1,807,204, which is \$136,313, or 8.2 percent, higher than last year's total of \$1,670,891. Of the \$1,807,204 total, \$1,106,084, or approximately 61.2 percent, of the fund balance constitutes unassigned fund balance.

The Association reported a positive change in fund balance for the year due to revenues coming in higher than expenditures in the current year. All expenditures came in below budget, except for salaries. The Association was able to control costs during the year. These numbers are further outlined on Schedule of Revenues, Expenditures and Changes in Fund Balance on page 47.

BUDGETARY HIGHLIGHTS

The Association made no budget amendments during the year. Actual revenues for the year totaled \$3,018,235, compared to budgeted revenues of \$2,936,814. Charges for services and interest income came in above budgeted amounts of \$89,809 and \$34,717, respectively.

Actual expenditures for the year were \$61,395 lower than budgeted (\$2,881,922 actual compared to \$2,943,317 budgeted) due primarily to insurance, general and administrative, and capital outlay costs being lower than anticipated.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis April 30, 2019

CAPITAL ASSETS

The Association's investment in capital assets as of April 30, 2019 was \$947,183 (net of accumulated depreciation). This investment in capital assets includes building, vehicles, and equipment.

| | Capital Assets - Net of Depreciation | |
|-----------|--------------------------------------|---------|
| | 2019 | 2018 |
| Building | \$ 575,342 | 593,088 |
| Vehicles | 135,813 | 167,382 |
| Equipment | 236,028 | 201,207 |
| Total | 947,183 | 961,677 |

The Association had the following capital asset additions for the year:

| | |
|-----------|------------------|
| Equipment | \$ <u>76,217</u> |
|-----------|------------------|

Additional information on the Association's capital assets can be found in note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financial statements were prepared and audited, the Association was not aware of any existing circumstances that would adversely affect its financial health in the near future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Association's finances for all those with an interest in the Association's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Fox Valley Special Recreation Association at 2121 W. Indian Trail, Aurora, Illinois 60506.

BASIC FINANCIAL STATEMENTS

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Statement of Net Position

April 30, 2019

| | | Component Unit |
|---|----------------------------|---|
| | Governmental Activities | Special Leisure Services Foundation |
| ASSETS | | |
| Current Assets | | |
| Cash and Investments | \$ 2,052,681 | 266,354 |
| Receivables - Net of Allowances | 35,785 | 2,930 |
| Deposits | - | 3,970 |
| Prepays | 15,805 | - |
| Total Current Assets | 2,104,271 | 273,254 |
| Noncurrent Assets | | |
| Capital Assets | | |
| Depreciable Capital Assets | 1,729,868 | - |
| Accumulated Depreciation | (782,685) | - |
| Total Noncurrent Assets | 947,183 | - |
| Total Assets | 3,051,454 | 273,254 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Items - IMRF | 226,054 | - |
| Total Assets and Deferred Outflows of Resources | 3,277,508 | 273,254 |

The notes to the financial statements are an integral part of this statement.

| | | Component Unit |
|---|----------------------------|---|
| | Governmental Activities | Special Leisure Services Foundation |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 98,013 | 13,548 |
| Accrued Payroll | 60,424 | - |
| Deferred Revenue | - | 1,750 |
| Other Payables | 138,630 | 1,739 |
| Compensated Absences | 10,066 | - |
| Total Current Liabilities | 307,133 | 17,037 |
| Noncurrent Liabilities | | |
| Compensated Absences | 40,266 | - |
| Net Pension Liability - IMRF | 149,219 | - |
| Total Noncurrent Liabilities | 189,485 | - |
| Total Liabilities | 496,618 | 17,037 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Items - IMRF | 165,504 | - |
| Total Liabilities and Deferred Inflows of Resources | 662,122 | 17,037 |
| NET POSITION | | |
| Investment in Capital Assets | 947,183 | - |
| Temporarily Restricted | - | 54,749 |
| Unrestricted | 1,668,203 | 201,468 |
| Total Net Position | 2,615,386 | 256,217 |

The notes to the financial statements are an integral part of this statement.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2019

| | Program Revenues | | |
|-------------------------------------|----------------------------|---------------------------------------|-------------------------------------|
| | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Expenses | | | |
| Governmental Activities | | | |
| Special Recreation | \$ 2,895,814 | 994,943 | 12,969 |
| Component Unit | | | |
| Special Leisure Services Foundation | 270,671 | - | 270,916 |

General Revenues
 Member Contributions
 Interest Income
 Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

| Net (Expenses)/ Revenues | Component Unit |
|--------------------------------|---|
| | Special Leisure Services Foundation |
| (1,854,815) | - |
| - | 245 |
| 1,896,765 | - |
| 34,741 | - |
| 78,817 | - |
| 2,010,323 | - |
| 155,508 | 245 |
| 2,459,878 | 255,972 |
| 2,615,386 | 256,217 |

The notes to the financial statements are an integral part of this statement.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Balance Sheet - Governmental Fund
April 30, 2019**

| ASSETS | |
|-------------------------------------|-------------------------|
| Cash and Investments | \$ 2,052,681 |
| Receivables - Net of Allowances | |
| Accounts | 35,785 |
| Prepays | <u>15,805</u> |
| Total Assets | <u><u>2,104,271</u></u> |
| LIABILITIES | |
| Accounts Payable | 98,013 |
| Accrued Payroll | 60,424 |
| Other Payables | <u>138,630</u> |
| Total Liabilities | <u>297,067</u> |
| FUND BALANCES | |
| Nonspendable | 15,805 |
| Assigned | 685,315 |
| Unassigned | <u>1,106,084</u> |
| Total Fund Balances | <u>1,807,204</u> |
| Total Liabilities and Fund Balances | <u><u>2,104,271</u></u> |

The notes to the financial statements are an integral part of this statement.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities
April 30, 2019**

| | |
|---|--------------|
| Total Governmental Fund Balances | \$ 1,807,204 |
|---|--------------|

Amounts reported for governmental activities in the Statement of Net Position
are different because:

| | |
|---|---------|
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 947,183 |
|---|---------|

| | |
|--|--------|
| Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF | 60,550 |
|--|--------|

| | |
|---|------------------|
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Compensated Absences | (50,332) |
| Net Pension Liability - IMRF | <u>(149,219)</u> |

| | |
|--|-------------------------|
| Net Position of Governmental Activities | <u><u>2,615,386</u></u> |
|--|-------------------------|

The notes to the financial statements are an integral part of this statement.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund
For the Fiscal Year Ended April 30, 2019**

| | |
|--------------------------------------|-------------------------|
| Revenues | |
| Member Contributions | \$ 1,896,765 |
| Charges for Services | 994,943 |
| Grants and Contributions | 12,969 |
| Interest Income | 34,741 |
| Miscellaneous | 78,817 |
| Total Revenues | <u>3,018,235</u> |
| Expenditures | |
| Culture and Recreation | |
| Salaries | 1,681,998 |
| Insurance | 311,316 |
| General and Administrative | 844,734 |
| Capital Outlay | 43,874 |
| Total Expenditures | <u>2,881,922</u> |
| Net Change in Fund Balance | 136,313 |
| Fund Balance - Beginning as Restated | <u>1,670,891</u> |
| Fund Balance - Ending | <u><u>1,807,204</u></u> |

The notes to the financial statements are an integral part of this statement.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended April 30, 2019

| | |
|---|-------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 136,313 |
|---|-------------------|

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

| | |
|---|----------|
| Capital Outlay | 43,130 |
| Capital Outlays - Capital Contributions | 33,087 |
| Depreciation Expense | (90,711) |

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

| | |
|---------------------------------|---------|
| Change in Deferred Items - IMRF | 296,540 |
|---------------------------------|---------|

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

| | |
|---|------------------|
| Additions to Compensated Absences | (3,000) |
| Additions to Net Pension Liability - IMRF | <u>(259,851)</u> |

| | |
|--|-----------------------|
| Change in Net Position of Governmental Activities | <u>155,508</u> |
|--|-----------------------|

The notes to the financial statements are an integral part of this statement.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fox Valley Special Recreation Association (the Association) was formed in 1976 to provide a variety of services to individuals with physical and mental impairments in the member districts. The Association is comprised of six park districts and one Village: Fox Valley Park District, Geneva Park District, Batavia Park District, Oswegoland Park District, Sugar Grove Park District, and Village of South Elgin (South Elgin Parks and Recreation). The Association is considered a jointly governed organization of the seven park districts which operates under the commissioner-director form of government.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Association's accounting policies established in GAAP and used by the Association are described below.

REPORTING ENTITY

In determining the financial reporting entity, the Association complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Association.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 39 but do not meet the criteria for blending.

Fox Valley Special Recreation Foundation.

The Fox Valley Special Recreation Foundation (the Foundation) is being reported as a discretely presented component unit of the Association as it is legally separate from the Association. Separate financial statements of the Association are available by contacting the Foundation at 2121 W Indian Trail Road, Aurora, IL 60506.

BASIS OF PRESENTATION

Government-Wide Statements

The Association's basic financial statements include both government-wide (reporting the Association as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the Association are reported as governmental activities.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

In the Statement of Net Position, the Association's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets, deferred outflows and receivables as well as long-term debt, deferred inflows and obligations. The Association's net position is reported in three parts: net investment in capital assets, restricted net position and unrestricted net position. The Association first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of the Association's special recreation function, which is supported by general revenues (member contributions, interest income and miscellaneous revenue). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants/contributions. Program revenues must be directly associated with the special recreation function. Operating grants/contributions include operating-specific grants. The net cost of the special recreation function is normally covered by the general revenues (member contributions, interest income and miscellaneous revenue).

The government-wide focus is more on the sustainability of the Association as an entity and the change in the Association's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Association are reported in a single governmental fund in the fund financial statements. This fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related liability is incurred. In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are member District contributions and program fees. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Cash and Investments – Continued

Association categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Association's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include member contributions, program fess, and grants.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$500, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Association as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

| | |
|-----------|---------------|
| Building | 30 - 50 Years |
| Vehicles | 8 Years |
| Equipment | 5 - 20 Years |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

The Association accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

It is the Association’s policy to permit employees to accumulate earned but unused vacation for an unlimited number of years. The maximum amount of days that can be accrued is the equivalent of one year’s vacation credit. Upon termination, an employee shall be paid for unused vacation time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components, if applicable:

Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Association follows these procedures in establishing the budgetary data reflected in the financial statements’

Prior to the May board meeting, the Executive Director submits to the Board of Directors a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

At the regularly scheduled May board meeting, the budget was passed.

Budgets are adopted on the cash basis, which is not materially different than generally accepted accounting principles.

All budget authority lapses at the end of the year. During the year, no supplementary appropriations were necessary.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON THE ASSOCIATION

DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes authorize the Association to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and the Illinois Park District Liquid Asset Fund.

The Illinois Park District Liquid Asset Fund allows Illinois park districts, forest preserves and joint recreational programs to pool their funds for investment purposes. The Illinois Park District Liquid Asset Fund is composed of finance officials and treasurers all of whom are employees of the Illinois public agencies, which are investors in the Illinois Park District Liquid Asset Fund. The Illinois Park District Liquid Asset Fund is not registered with the SEC as an Investment Company. Investments in the Illinois Park District Liquid Asset Fund are valued at the share price, the price for which the investment could be sold.

Concentration Risk, Custodial Credit Risk, Credit Risk and Interest Rate Risk

At year-end, the carrying amount of the Association's deposits totaled \$973,572 and the bank balances totaled \$996,126. Additionally, at year-end, the Association has \$1,079,109 invested in the Illinois Park District Liquid Asset Fund, which has an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Association's investment policy states that the investment portfolio shall maintain the necessary liquidity to enable the Association to meet all operating requirements and liabilities that may be reasonably anticipated. The Association invests 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 Association 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), liquidity and yield.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

DEPOSITS AND INVESTMENTS – Continued

Concentration Risk, Custodial Credit Risk, Credit Risk and Interest Rate Risk – Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The Association's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral held by a third party in the Association's name. Total funds exceeding the deposit insurance limits must have collateral provided as 105% of the fair market value of the net amount of the Association's funds on deposit at each financial institution. At April 30, 2019, the entire bank balance of the deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Association will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. To limit its exposure, the Association'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 Association's agent separate from where the investment was purchased. In addition, the Association's investment policy requires all security transactions that are exposed to custodial credit risk not to exceed 25% of the capital stock and surplus of such institution. At April 30, 2019, the Association's investment in the Illinois Park District Liquid Asset Fund was not subject to custodial credit risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association limits its exposure to credit risk by primarily investing in obligations guaranteed by the U.S. Government or securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government. The Association's investment in the Illinois Park District Liquid Asset Fund is rated AAAM by Standard and Poor's.

Concentration Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Association's investment in a single issuer. The Association's investment policy states the practice is to invest in a diversified manner and not have undue concentrations in any single investment. At year-end, the Association does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

CAPITAL ASSETS

The following is a summary of capital assets as of the date of this report:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|-------------------------------|-----------------------|-----------------|-----------|--------------------|
| Depreciable Capital Assets | | | | |
| Buildings | \$ 789,453 | - | - | 789,453 |
| Vehicles | 307,828 | - | - | 307,828 |
| Equipment | 556,370 | 76,217 | - | 632,587 |
| | <u>1,653,651</u> | <u>76,217</u> | <u>-</u> | <u>1,729,868</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | 196,365 | 17,746 | - | 214,111 |
| Vehicles | 140,446 | 31,569 | - | 172,015 |
| Equipment | 355,163 | 41,396 | - | 396,559 |
| | <u>691,974</u> | <u>90,711</u> | <u>-</u> | <u>782,685</u> |
| Total Net Capital Assets | <u>961,677</u> | <u>(14,494)</u> | <u>-</u> | <u>947,183</u> |

Depreciation expense of \$90,711 was charged to the culture and recreation function.

LONG-TERM DEBT

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|--------------------------------------|-----------------------|----------------|--------------|--------------------|-----------------------------------|
| Compensated Absences | \$ 47,332 | 6,000 | 3,000 | 50,332 | 10,066 |
| Net Pension Liability/(Asset) - IMRF | (110,632) | 259,851 | - | 149,219 | - |
| | <u>(63,300)</u> | <u>265,851</u> | <u>3,000</u> | <u>199,551</u> | <u>10,066</u> |

For the governmental activities, the compensated absences and the net pension liability/(asset) are liquidated by the General Fund.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

FUND BALANCES/NET POSITION

Fund Balance Classifications

The following is a schedule of fund balance classifications as of the date of this report:

| | |
|---------------------|-------------------------|
| Fund Balances | |
| Nonspendable | |
| Prepays | \$ 15,805 |
| Assigned | |
| Capital Replacement | 174,855 |
| Building | 12,904 |
| Scholarship | 31,050 |
| Riverboat Grant | 10,871 |
| Cash Reserve | 455,635 |
| | <u>685,315</u> |
| Unassigned | <u>1,106,084</u> |
| Total Fund Balances | <u><u>1,807,204</u></u> |

In the governmental fund financial statements, the Association considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Association first utilizes assigned, then committed and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Directors; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

FUND BALANCES/NET POSITION – Continued

Fund Balance Classifications – Continued

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Directors' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Directors itself or b) a body or official to which the Board of Directors has delegated the authority to assign amounts to be used for specific purposes. The Association's highest level of decision-making authority is the Board of Directors, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Association policy manual states that the fund balance should represent a minimum of 25% of budgeted annual expenditures.

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2019:

| | |
|--|-------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | <u>\$ 947,183</u> |

Net Position/Fund Balance Restatements

Beginning net position/fund balance was restated to correct an error in due to/from between the Association and the Foundation. The following is a summary of the net position as originally reported and as restated:

| Net Position/Fund Balance | As Reported | As Restated | Increase/ (Decrease) |
|-----------------------------|--------------|-------------|-------------------------|
| Governmental Activities | \$ 2,483,785 | 2,459,878 | (23,907) |
| General Fund | 1,694,798 | 1,670,891 | (23,907) |
| Component Unit - Foundation | 232,067 | 255,972 | 23,905 |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION

MEMBER CONTRIBUTIONS

Contributions received from members during the 2019 fiscal year were:

| Members | Amounts |
|---------------------------|------------------|
| Batavia Park District | \$ 171,322 |
| Fox Valley Park District | 694,682 |
| Geneva Park District | 256,339 |
| Oswego Park District | 228,151 |
| South Elgin Park District | 102,581 |
| St. Charles Park District | 370,979 |
| Sugar Grove Park District | 72,711 |
| | <u>1,896,765</u> |

RISK MANAGEMENT

Park District Risk Management Agency (PDRMA)

The Association is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses.

Since June 1, 1992, the Association has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve Associations, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability and workers compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect for the period January 1, 2019 through January 1, 2020:

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) – Continued

| Coverage | Member Deductible | PDRMA Self- Insured Retention | Limits |
|----------------------------------|----------------------|-------------------------------------|--|
| PROPERTY | | | |
| Property/Bldg/Contents | | | |
| All Losses Per Occurrence | \$1,000 | \$1,000,000 | \$1,000,000,000/All Members Declaration 11 |
| Flood/Except Zones A & V | \$1,000 | \$1,000,000 | \$250,000,000/Occurrence/Annual Aggregate |
| Flood, Zones A & V | \$1,000 | \$1,000,000 | \$200,000,000/Occurrence/Annual Aggregate |
| Earthquake Shock | \$1,000 | \$100,000 | \$100,000,000/Occurrence/Annual Aggregate |
| Auto Physical Damage | | | |
| Comprehensive and Collision | \$1,000 | \$1,000,000 | Included |
| Course of Construction | \$1,000 | Included | \$25,000,000 |
| Business Interruption, Rental | | | |
| Income, Tax Income Combined | \$1,000 | | \$100,000,000/Reported Values |
| | | | \$500,000/\$2,500,000/Non-Reported Values |
| Service Interruption | 24 Hours | N/A | \$25,000,000 |
| Boiler and Machinery | | | \$100,000,000 Equipment Breakdown |
| Property Damage | \$1,000 | \$9,000 | Property Damage - Included |
| Business Income | 48 Hours | N/A | Included |
| Fidelity and Crime | \$1,000 | \$24,000 | \$2,000,000/Occurrence |
| Seasonal Employees | \$1,000 | \$9,000 | \$1,000,000/Occurrence |
| Blanket Bond | \$1,000 | \$24,000 | \$2,000,000/Occurrence |
| WORKERS COMPENSATION | | | |
| Employers Liability | N/A | \$500,000 | Statutory |
| | | \$500,000 | \$3,500,000 Employers Liability |
| LIABILITY | | | |
| General | None | \$500,000 | \$21,500,000/Occurrence |
| Auto Liability | None | \$500,000 | \$21,500,000/Occurrence |
| Employment Practices | None | \$500,000 | \$21,500,000/Occurrence |
| Public Officials' Liability | None | \$500,000 | \$21,500,000/Occurrence |
| Law Enforcement Liability | None | \$500,000 | \$21,500,000/Occurrence |
| Uninsured/Underinsured Motorists | None | \$500,000 | \$1,000,000/Occurrence |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park Association Risk Management Agency (PDRMA) – Continued

| Coverage | Member Deductible | PDRMA Self-Insured Retention | Limits |
|---|-------------------|------------------------------|--|
| POLLUTION LIABILITY | | | |
| Liability - Third Party | None | \$25,000 | \$5,000,000/Occurrence |
| Property - First Party | \$1,000 | \$24,000 | \$30,000,000 3 Year Aggregate |
| OUTBREAK EXPENSE | | | |
| Outbreak Expense | 24 Hours | N/A | \$15,000 per Day |
| | | | \$1,000,000 Aggregate Policy Limit |
| INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA | | | |
| LIABILITY COVERAGE | | | |
| Information Security & Privacy | | | |
| Liability | None | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Privacy Notification, Costs | None | \$100,000 | \$500,000/Occurrence/Annual Aggregate |
| Regulatory Defense & Penalties | None | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Website Media Content Liability | None | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Cyber Extortion | None | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| Data Protection & Business | | | |
| Interruption | \$1,000 | \$100,000 | \$2,000,000/Occurrence/Annual Aggregate |
| First Party Business Interruption | 8 Hours | \$100,000 | \$50,000 Hourly Sublimit/\$50,000 Forensic |
| | | | Exp./\$150,000 Dependent Bus. Interruption |
| VOLUNTEER MEDICAL ACCIDENT | | | |
| Volunteer Medical Accident | None | \$5,000 | \$5,000 Medical Expense and AD&D |
| | | | Excess of any other Collectible Insurance |
| UNDERGROUND STORAGE TANK LIABILITY | | | |
| Underground Storage Tank Liability | None | N/A | \$10,000, Follows Illinois Leaking |
| | | | Underground Tank Fund |
| UNEMPLOYMENT COMPENSATION | | | |
| Unemployment Compensation | N/A | N/A | Statutory |

Losses exceeding the per occurrence self-insured and reinsurance limit would be the responsibility of the Association.

As a member of PDRMA's Property/Casualty Program, the Association is represented on the Property/Casualty Program Council and the Membership Assembly and is entitled to one vote on each. The relationship between the Association and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the Association's governing body.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park Association Risk Management Agency (PDRMA) – Continued

The Association is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigations and settlement, and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2018 and the statement of revenues and expenses for the period ending December 31, 2018:

| | |
|--|--------------|
| Assets | \$64,598,180 |
| Deferred Outflows of Resources – Pension | 735,579 |
| Liabilities | 20,358,043 |
| Deferred Inflows of Resources – Pension | 1,157,368 |
| Total Net Pension | 43,818,350 |
| Revenues | 18,891,688 |
| Expenditures | 18,647,660 |

The Association's portion of the overall equity in the pool is 0.106% or \$51,304.

Since 98.39% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Net Position is impacted annually as more recent loss information becomes available.

Park District Risk Management Agency (PDRMA) Health Program

On February 2, 2007, the Association became a member of the Park District Risk Management Agency (PDRMA) Health Program, a health benefits pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001 the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) Health Program – Continued

Members can choose to provide any combination of coverages available to their employees and pay premiums accordingly.

As a member of the PDRMA Health Program, the Association is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and PDRMA Health Program is governed by a contract and by-laws that have been adopted by a resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

The following represents a summary of PDRMA's Health Program balance sheet at December 31, 2018 and the statement of revenues and expenses for the period ending December 31, 2018:

| | |
|--|--------------|
| Assets | \$22,903,252 |
| Deferred Outflows of Resources – Pension | 427,851 |
| Liabilities | 5,148,899 |
| Deferred Inflows of Resources – Pension | (5,600) |
| Total Net Pension | 18,187,802 |
| Revenues | 37,577,537 |
| Expenditures | 35,295,144 |

A large percentage of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred.

CONTINGENT LIABILITIES

Litigation

The Association is currently not involved in any lawsuits.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Association expects such amounts, if any, to be immaterial.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Association contributes to Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits | 2 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 25 |
| Active Plan Members | <u>22</u> |
| Total | <u><u>49</u></u> |

Contributions. As set by statute, the Association's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2019, the Association's contribution was 7.08% of covered payroll.

Net Pension Liability. The Association's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

| | |
|----------------------------|------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 7.25% |
| Salary Increases | 3.39% - 14.25% |
| Cost of Living Adjustments | 2.50% |
| Inflation | 2.50% |

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 28.00% | 3.75% |
| Domestic Equities | 37.00% | 7.15% |
| International Equities | 18.00% | 7.25% |
| Real Estate | 9.00% | 6.25% |
| Blended | 7.00% | 3.20% - 8.50% |
| Cash and Cash Equivalents | 1.00% | 2.50% |

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, and the discount rate in the prior valuation was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Association contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability/(asset) of the Association calculated using the discount rate as well as what the Association's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability/(Asset) | \$ 536,013 | 149,219 | (157,921) |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability/(Asset)

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability/(Asset) (A) - (B) |
|---|--------------------------------------|---------------------------------------|---|
| Balances at December 31, 2017 | \$ 2,173,028 | 2,283,660 | (110,632) |
| Changes for the Year: | | | |
| Service Cost | 82,231 | - | 82,231 |
| Interest on the Total Pension Liability | 164,813 | - | 164,813 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (7,079) | - | (7,079) |
| Change of Assumptions | 83,489 | - | 83,489 |
| Contributions - Employer | - | 85,775 | (85,775) |
| Contributions - Employees | - | 46,226 | (46,226) |
| Net Investment Income | - | (78,779) | 78,779 |
| Benefit Payments, including Refunds of Employee Contributions | (33,273) | (33,273) | - |
| Other (Net Transfer) | - | 10,381 | (10,381) |
| Net Changes | 290,181 | 30,330 | 259,851 |
| Balances at December 31, 2018 | 2,463,209 | 2,313,990 | 149,219 |

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2019, the Association recognized pension expense of \$38,630. At April 30, 2019, the Association reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – Continued

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|-----------|
| Difference Between Expected and Actual Experience | \$ 3,774 | (122,954) | (119,180) |
| Change in Assumptions | 69,808 | (42,550) | 27,258 |
| Net Difference Between Projected and Actual | | | |
| Earnings on Pension Plan Investments | 134,231 | - | 134,231 |
| Total Pension Expense to be | | | |
| Recognized in Future Periods | 207,813 | (165,504) | 42,309 |
| Pension Contributions Made Subsequent | | | |
| to the Measurement Date | 18,241 | - | 18,241 |
| Total Deferred Amounts Related to IMRF | 226,054 | (165,504) | 60,550 |

\$18,241 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Fiscal Year | Net Deferred Outflows/ (Inflows) of Resources |
|----------------|--|
| 2020 | \$ 23,201 |
| 2021 | (623) |
| 2022 | (2,608) |
| 2023 | 28,923 |
| 2024 | (7,868) |
| Thereafter | 1,284 |
| Totals | 42,309 |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Association has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Association are required to pay 100% of the current premium. However, there is minimal participation. As the Association provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Association has not recorded a liability as of April 30, 2019.

FOX VALLEY SPECIAL RECREATION FOUNDATION

NATURE OF ORGANIZATION

The Fox Valley Special Recreation Foundation (the Foundation) is a not-for-profit organization organized under the laws of the State of Illinois to develop philanthropic support for the Fox Valley Special Recreation Association (the Association). The Foundation is considered a component unit of the Association under the accounting standards followed by the Association; however, the Foundation is a separate legal entity. The Foundation's only program relates to the support of the operational and capital needs of the Association that lack adequate funding through the Association's available resources. The Foundation's major sources of revenue and support are contributions from donors and investment income.

The Foundation is reported as a discretely presented component unit of the Fox Valley Special Recreation Association, Aurora, Illinois. This report represents the financial activity of the Foundation for the fiscal year ended April 30, 2019.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

FOX VALLEY SPECIAL RECREATION FOUNDATION – Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Assets

The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets of Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

Cash and Investments

For the purpose of the Statement of Financial Position and Statement of Cash Flows, the Foundation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Foundation did not hold any investments at April 30, 2019.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

FOX VALLEY SPECIAL RECREATION FOUNDATION – Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Investment Income

The Center records investment income earned on net assets with donor restrictions and without donor restrictions as without donor restrictions revenue.

Contributed Services

Contributed services are reported as contribution revenue and as assets or expenses only if the services create or enhance a non-financial asset (for example, property and equipment) or:

- Would typically need to be purchased by the Foundation if the services had not been provided by contribution
- Require specialized skills
- Are provided by individuals with those skills

Promises to Give

Promises to give consist of unconditional promised to give to the Foundation. The carrying amount of promises to give may be recorded by a valuation allowance based on management's assessment of the collectability of specific promise to give balances.

Income Taxes

The Foundation is exempt from income tax under IRS section 501(c)(3), and similarly, is exempt from State of Illinois taxes under the Illinois Tax Act Section 205(a), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. There was no unrelated business income for the year ended April 30, 2019.

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally, for three years after they were filed. Annual filings with the State of Illinois are, similarly, subject to examination.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

FOX VALLEY SPECIAL RECREATION FOUNDATION – Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the schedules of functional expenses. Functional expenses which are not directly attributable to one function are allocated between program, management and general, and fundraising services based on the number of employees involved, the amount of time spent, the percentage of their salary associated with the time and on estimated made by the Foundation's management.

CASH AND INVESTMENTS

At year-end the carrying amount of the Foundation's cash deposits totaled \$266,354 and the bank balances totaled \$265,426. The entire balance of deposits was fully insured by federal deposit insurance.

AVAILABILITY AND LIQUIDITY

The following represents Foundation's financial assets at April 30, 2019:

| | |
|--|-------------------------------|
| Financial Assets at Year End: | |
| Cash and Cash Equivalents | \$ 266,354 |
| Receivables | 2,930 |
| Deposits | <u>3,970</u> |
| | 273,254 |
| Less Amounts not Available to be used within one year | <u>17,037</u> |
| Financial Assets Available to Meet General Expenditures over the Next Twelve Months | <u><u>256,217</u></u> |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements April 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

FOX VALLEY SPECIAL RECREATION FOUNDATION – Continued

NET ASSETS

Without Donor Restrictions

Net Assets without donor restrictions as of April 30, 2019 was comprised of the following:

| | |
|--------------|-------------------|
| Undesignated | <u>\$ 201,468</u> |
|--------------|-------------------|

With Donor Restrictions

Net Assets with donor restrictions as of April 30, 2019 was comprised of the following:

| | |
|-----------|------------------|
| Donations | <u>\$ 54,749</u> |
|-----------|------------------|

CONCENTRATIONS

The Foundation receives contributions from various donors. There is no one donor that makes up the significant amount of donations.

IN-KIND DONATIONS

Donated Services - Donated services are recognized as in-kind revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. Contributed services that do not meet the above criteria are not recognized as revenues and are not reported in the accompanying financial statements. The Foundation received services from the Fox Valley Special Recreation Association employees, which includes grant/scholarship writing, event fund-raising, and development coordination, a portion of which meets the criteria for recognition. Accordingly, contributions have been recorded for the fair value of these services of \$56,324 for the year ending April 30, 2019. These amounts have been included as contribution revenue and program service expenses of the Statements of Activities.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a cash basis which does not differ materially from the modified accrual basis which is consistent with generally accepted accounting principles.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

April 30, 2019

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2016 | \$ 87,858 | \$ 87,858 | \$ - | \$ 959,415 | 9.16% |
| 2017 | 88,589 | 88,589 | - | 1,003,577 | 8.83% |
| 2018 | 81,999 | 81,999 | - | 984,209 | 8.33% |
| 2019 | 75,319 | 75,319 | - | 1,064,099 | 7.08% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Payroll (Closed) |
| Remaining Amortization Period | 25 Years |
| Asset Valuation Method | 5-Year Smoothed Market |
| Inflation | 2.75% |
| Salary Increases | 3.75% - 14.50% |
| Investment Rate of Return | 7.50% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012) |

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

April 30, 2019

| | <u>12/31/15</u> |
|---|--------------------------|
| Total Pension Liability | |
| Service Cost | \$ 82,782 |
| Interest | 136,921 |
| Differences Between Expected and Actual Experience | (2,732) |
| Change of Assumptions | - |
| Benefit Payments, Including Refunds of Member Contributions | <u>(38,114)</u> |
| Net Change in Total Pension Liability | 178,857 |
| Total Pension Liability - Beginning | <u>1,803,280</u> |
| Total Pension Liability - Ending | <u><u>1,982,137</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 85,963 |
| Contributions - Members | 43,174 |
| Net Investment Income | 8,654 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(38,114)</u> |
| Other (Net Transfer) | <u>(54,240)</u> |
| Net Change in Plan Fiduciary Net Position | 45,437 |
| Plan Net Position - Beginning | <u>1,685,275</u> |
| Plan Net Position - Ending | <u><u>1,730,712</u></u> |
| Employer's Net Pension Liability | <u><u>\$ 251,425</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 87.32% |
| Covered Payroll | \$ 959,415 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 26.21% |

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

| 12/31/16 | 12/31/17 | 12/31/18 |
|-----------|-----------|-----------|
| 93,362 | 99,263 | 82,231 |
| 150,765 | 166,164 | 164,813 |
| 7,419 | (166,635) | (7,079) |
| - | (61,090) | 83,489 |
| (37,237) | (61,120) | (33,273) |
| 214,309 | (23,418) | 290,181 |
| 1,982,137 | 2,196,446 | 2,173,028 |
| 2,196,446 | 2,173,028 | 2,463,209 |
| 92,851 | 79,147 | 85,775 |
| 45,967 | 43,010 | 46,226 |
| 121,697 | 309,678 | (78,779) |
| (37,237) | (61,120) | (33,273) |
| (6,669) | (34,376) | 10,381 |
| 216,609 | 336,339 | 30,330 |
| 1,730,712 | 1,947,321 | 2,283,660 |
| 1,947,321 | 2,283,660 | 2,313,990 |
| 249,125 | (110,632) | 149,219 |
| 88.66% | 105.09% | 93.94% |
| 1,020,579 | 954,512 | 1,027,250 |
| 24.41% | (11.59%) | 14.53% |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2019**

| | Budget | | Actual | Variance with Final Budget |
|--------------------------------------|------------------|------------------|-------------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Member Contributions | \$ 1,896,766 | 1,896,766 | 1,896,765 | (1) |
| Charges for Services | | | | |
| Inclusion Charges | 219,363 | 219,363 | 228,188 | 8,825 |
| Program | 685,771 | 685,771 | 766,755 | 80,984 |
| Grants and Contributions | 48,500 | 48,500 | 12,969 | (35,531) |
| Interest Income | 24 | 24 | 34,741 | 34,717 |
| Miscellaneous | 86,390 | 86,390 | 78,817 | (7,573) |
| Total Revenues | <u>2,936,814</u> | <u>2,936,814</u> | <u>3,018,235</u> | <u>81,421</u> |
| Expenditures | | | | |
| Culture and Recreation | | | | |
| Salaries | 1,630,053 | 1,630,053 | 1,681,998 | (51,945) |
| Insurance | 347,502 | 347,502 | 311,316 | 36,186 |
| General and Administrative | 880,762 | 880,762 | 844,734 | 36,028 |
| Capital Outlay | 85,000 | 85,000 | 43,874 | 41,126 |
| Total Expenditures | <u>2,943,317</u> | <u>2,943,317</u> | <u>2,881,922</u> | <u>61,395</u> |
| Net Change in Fund Balance | <u>(6,503)</u> | <u>(6,503)</u> | 136,313 | <u>142,816</u> |
| Fund Balance - Beginning as Restated | | | <u>1,670,891</u> | |
| Fund Balance - Ending | | | <u><u>1,807,204</u></u> | |

OTHER SUPPLEMENTARY INFORMATION

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended April 30, 2019

| | Budget | | | Variance with Final Budget |
|----------------------------------|------------|-----------|-----------|----------------------------------|
| | Original | Final | Actual | |
| Culture and Recreation | | | | |
| Salaries | | | | |
| Administrative Salaries | \$ 542,692 | 542,692 | 556,186 | (13,494) |
| Program Specialists | 466,308 | 466,308 | 474,520 | (8,212) |
| General Program - Part-Time | 31,501 | 31,501 | 269,538 | (238,037) |
| Special Events - Part-Time | 5,400 | 5,400 | - | 5,400 |
| Summer Camp - Part-Time | 150,338 | 150,338 | 129,851 | 20,487 |
| Day Program - Part-Time | 106,128 | 106,128 | - | 106,128 |
| Special Olympics - Part-Time | 28,712 | 28,712 | - | 28,712 |
| Fitness - Part-Time | 6,173 | 6,173 | - | 6,173 |
| Private Lesson - Part-Time | 26,339 | 26,339 | - | 26,339 |
| Sports - Part-Time | 11,889 | 11,889 | - | 11,889 |
| Trips - Part-Time | 42,309 | 42,309 | 43,622 | (1,313) |
| Inclusion Assistants - Part-Time | 212,264 | 212,264 | 208,281 | 3,983 |
| Total Salaries | 1,630,053 | 1,630,053 | 1,681,998 | (51,945) |
| Insurance | | | | |
| Medical | 303,544 | 303,544 | 245,250 | 58,294 |
| Dental | - | - | 12,476 | (12,476) |
| Liability | 41,293 | 41,293 | 41,294 | (1) |
| Life Insurance | - | - | 2,875 | (2,875) |
| Employee Assistance Program | - | - | 644 | (644) |
| Employment Physical | 2,665 | 2,665 | 1,040 | 1,625 |
| Health Reimbursement (HRA) | - | - | 3,418 | (3,418) |
| Other | - | - | 4,319 | (4,319) |
| Total Insurance | 347,502 | 347,502 | 311,316 | 36,186 |
| General and Administrative | | | | |
| Vehicle Allowance | 7,200 | 7,200 | 6,938 | 262 |
| Accounting Services | 11,000 | 11,000 | 25,894 | (14,894) |
| Bank Charges | 14,500 | 14,500 | 17,424 | (2,924) |
| Audit Adjustments | - | - | 258 | (258) |
| Legal | 13,000 | 13,000 | 38,486 | (25,486) |
| Printing | 35,200 | 35,200 | 25,922 | 9,278 |
| Postage | 8,250 | 8,250 | 6,088 | 2,162 |
| Telephone | 21,400 | 21,400 | 16,174 | 5,226 |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2019

| | Budget | | | Variance with Final Budget |
|--|----------|---------|---------|----------------------------------|
| | Original | Final | Actual | |
| Culture and Recreation - Continued | | | | |
| General and Administrative - Continued | | | | |
| Board | \$ 2,000 | 2,000 | 2,394 | (394) |
| Advertising | 4,800 | 4,800 | 5,362 | (562) |
| Public Relations | 3,600 | 3,600 | 1,932 | 1,668 |
| Background Checks | 3,400 | 3,400 | 1,805 | 1,595 |
| Professional Membership | 11,345 | 11,345 | 9,826 | 1,519 |
| Staff Development | 28,140 | 28,140 | 24,059 | 4,081 |
| Fuel | 17,300 | 17,300 | 18,413 | (1,113) |
| Registration Software Fees | 6,500 | 6,500 | 7,243 | (743) |
| Auto and Van Maintenance | 12,000 | 12,000 | 18,479 | (6,479) |
| Mileage Reimbursement | 4,560 | 4,560 | 3,837 | 723 |
| Miscellaneous Reimbursement | - | - | (11) | 11 |
| Utilities | 15,600 | 15,600 | 19,015 | (3,415) |
| Transportation/Summer Day Camp | 16,500 | 16,500 | 14,737 | 1,763 |
| Facility Rentals | 71,024 | 71,024 | 55,568 | 15,456 |
| General Program | 140,950 | 140,950 | 100,207 | 40,743 |
| Marketing/Promotions | 6,000 | 6,000 | 8,014 | (2,014) |
| Brochure Design Services | 14,500 | 14,500 | 6,000 | 8,500 |
| Professional Services | 48,000 | 48,000 | 2,153 | 45,847 |
| Stars Expense | - | - | 6,027 | (6,027) |
| Inclusion Expenditure | - | - | 250 | (250) |
| Leased Equipment | 900 | 900 | 448 | 452 |
| General Program Supplies | 74,704 | 74,704 | 106,383 | (31,679) |
| Office Supplies | 6,600 | 6,600 | 9,989 | (3,389) |
| General Maintenance Supplies | 3,600 | 3,600 | 3,996 | (396) |
| Service Maintenance Agreements | 14,824 | 14,824 | 14,804 | 20 |
| Equipment Maintenance | 22,388 | 22,388 | 18,620 | 3,768 |
| IMRF | 74,573 | 74,573 | 75,319 | (746) |
| Payroll Taxes | - | - | 13 | (13) |
| Medicare | 23,746 | 23,746 | 23,746 | - |
| Social Security | 100,458 | 100,458 | 101,508 | (1,050) |
| Unemployment Taxes | - | - | 8,151 | (8,151) |
| General and Administration Expenditure | - | - | 17,441 | (17,441) |
| Nonresident Support and Scholarship | - | - | 2,501 | (2,501) |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2019

| | Budget | | Actual | Variance with Final Budget |
|--|-----------|-----------|-----------|----------------------------------|
| | Original | Final | | |
| Culture and Recreation - Continued | | | | |
| General and Administrative - Continued | | | | |
| Member Scholarships | \$ 35,000 | 35,000 | 6,940 | 28,060 |
| Internship Stipend | 7,200 | 7,200 | 5,400 | 1,800 |
| Miscellaneous Expenditure | - | - | 6,981 | (6,981) |
| Total General and Administrative | 880,762 | 880,762 | 844,734 | 36,028 |
| Total Culture and Recreation | 2,858,317 | 2,858,317 | 2,838,048 | 20,269 |
| Capital Outlay | | | | |
| Office Furniture and Equipment | - | - | 14,588 | (14,588) |
| Capital Improvements | 85,000 | 85,000 | 3,900 | 81,100 |
| Computer Equipment | - | - | 25,386 | (25,386) |
| Capital Outlay | 85,000 | 85,000 | 43,874 | 41,126 |
| Total Expenditures | 2,943,317 | 2,943,317 | 2,881,922 | 61,395 |

SUPPLEMENTARY INFORMATION

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS**Schedule of Property Tax Information - Last Five Tax Levy Years
April 30, 2019**

| Fox Valley Park District | | | | | |
|----------------------------------|------------------|---------------|---------------|---------------|---------------|
| Levy Year | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assessed Valuation | \$ 3,525,131,901 | 3,510,570,850 | 3,689,509,887 | 3,987,135,276 | 4,233,393,945 |
| Extension Rate | 0.0263% | 0.0283% | 0.0277% | 0.0271% | 0.0259% |
| Extension | \$ 926,524 | 992,823 | 1,020,522 | 1,080,000 | 1,096,449 |
| Budget | \$ 664,825 | 655,784 | 677,913 | 683,109 | 694,682 |
| Distributions | \$ 664,837 | 655,784 | 677,913 | 683,109 | 694,682 |
| St. Charles Park District | | | | | |
| Levy Year | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assessed Valuation | \$ 2,053,989,252 | 2,014,707,464 | 2,059,548,019 | 2,129,239,703 | 2,211,900,918 |
| Extension Rate | 0.0292% | 0.0261% | 0.0260% | 0.0235% | 0.0235% |
| Extension | \$ 599,991 | 525,000 | 536,000 | 520,000 | 519,797 |
| Budget | \$ 364,678 | 382,322 | 388,947 | 381,323 | 370,979 |
| Distributions | \$ 364,678 | 382,322 | 388,947 | 381,323 | 370,979 |
| Geneva Park District | | | | | |
| Levy Year | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assessed Valuation | \$ 1,335,008,837 | 1,342,430,272 | 1,380,164,258 | 1,471,264,248 | 1,514,530,597 |
| Extension Rate | 0.0315% | 0.0313% | 0.0304% | 0.0285% | 0.0376% |
| Extension | \$ 420,007 | 420,007 | 420,000 | 420,000 | 569,464 |
| Budget | \$ 237,000 | 246,950 | 257,628 | 255,536 | 256,339 |
| Distributions | \$ 237,000 | 246,950 | 257,628 | 255,536 | 256,339 |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS**Schedule of Property Tax Information - Last Five Tax Levy Years - Continued
April 30, 2019**

| Batavia Park District | | | | | |
|----------------------------------|------------------|---------------|---------------|---------------|---------------|
| Levy Year | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assessed Valuation | \$ 928,894,885 | 912,173,171 | 943,731,932 | 983,306,980 | 1,005,021,155 |
| Extension Rate | 0.0339% | 0.0399% | 0.0397% | 0.0393% | 0.0398% |
| Extension | \$ 314,918 | 363,930 | 374,848 | 386,096 | 399,998 |
| Budget | \$ 164,247 | 173,467 | 176,787 | 174,731 | 171,322 |
| Distributions | \$ 164,247 | 173,467 | 176,787 | 174,731 | 171,322 |
| Oswegoland Park District | | | | | |
| Levy Year | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assessed Valuation | \$ 1,182,880,363 | 1,179,954,718 | 1,235,373,281 | 1,309,479,161 | 1,377,894,565 |
| Extension Rate | 0.0299% | 0.0401% | 0.0403% | 0.0413% | 0.0400% |
| Extension | \$ 354,067 | 472,874 | 497,430 | 527,391 | 551,158 |
| Budget | \$ 211,823 | 218,373 | 226,080 | 228,728 | 228,151 |
| Distributions | \$ 211,823 | 218,373 | 226,080 | 228,728 | 228,151 |
| Sugar Grove Park District | | | | | |
| Levy Year | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assessed Valuation | \$ 368,352,565 | 371,305,579 | 392,109,953 | 418,963,557 | 440,029,847 |
| Extension Rate | 0.0244% | 0.0242% | 0.0230% | 0.0215% | 0.0204% |
| Extension | \$ 90,000 | 90,000 | 90,000 | 90,000 | 89,766 |
| Budget | \$ 67,689 | 68,002 | 71,126 | 72,426 | 72,712 |
| Distributions | \$ 67,689 | 68,002 | 71,126 | 72,426 | 72,711 |

FOX VALLEY SPECIAL RECREATION ASSOCIATION, ILLINOIS**Schedule of Property Tax Information - Last Five Tax Levy Years - Continued**
April 30, 2019

| South Elgin Parks and Recreation | | | | | | |
|----------------------------------|----|-------------|-------------|-------------|-------------|-------------|
| Levy Year | | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assessed Valuation | \$ | 520,006,916 | 509,194,450 | 545,034,841 | 588,765,314 | 624,220,307 |
| Extension Rate | | 0.0324% | 0.0331% | 0.0377% | 0.0349% | 0.0330% |
| Extension | \$ | 168,727 | 168,727 | 205,744 | 205,744 | 205,993 |
| Budget | \$ | 95,149 | 96,622 | 98,285 | 100,913 | 102,581 |
| Distributions | \$ | 95,149 | 96,622 | 98,285 | 100,913 | 102,581 |