

LINCOLNWAY SPECIAL RECREATION  
ASSOCIATION, ILLINOIS

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ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
MAY 31, 2021

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

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## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**



**INDEPENDENT AUDITORS' REPORT**

February 18, 2022

Members of the Board of Directors  
Lincolnway Special Recreation Association  
New Lenox, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lincolnway Special Recreation Association, New Lenox, Illinois, as of and for the year ended May 31, 2021, 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.

**Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Discretely Presented Component Unit	Qualified
General Fund	Unmodified

### **Basis for Qualified Opinion on the Discretely Presented Component Unit**

The financial statements of the Lincolnway Special Recreation Foundation have not been audited, and we were not engaged to audit the Lincolnway Special Recreation Foundation financial statements as part of our audit of the Association's basic financial statements. Lincolnway Special Recreation Foundation's financial activities are included in the Association's basic financial statements as a discretely presented component unit.

### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincolnway Special Recreation Association, New Lenox, Illinois, as of May 31, 2021, 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 Lincolnway Special Recreation Association, New Lenox, Illinois' basic financial statements. The other supplementary information and supplemental schedule, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information 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 other supplementary information and supplemental schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Management's Discussion and Analysis

May 31, 2021

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Our discussion and analysis of Lincolnway Special Recreation Association's (the Association's) financial performance provides an overview of the Association's financial activities for the fiscal year ended May 31, 2021. Please read it in conjunction with the Association's financial statements, which can be found in the financial section of this report.

### FINANCIAL HIGHLIGHTS

- The Association's net position increased as a result of this year's operations. Net position of the governmental activities increased by \$176,654 or 4.7 percent.
- During the year, government-wide revenues totaled \$1,445,981, while expenses totaled \$1,269,327 resulting in an increase to net position of \$176,654.
- The Association's net position totaled \$3,944,630 on May 31, 2021, which includes \$4,024,351 net investment in capital assets and \$79,721 unrestricted deficit net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$93,345, resulting in ending fund balance of \$233,007, an increase of 66.8 percent.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities 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 can be found in the financial section of this report. 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 by providing information about the Association's most significant funds. The remaining statements provide financial information about activities for which the Association acts solely as a trustee or agent for the benefit of those outside of the government.

#### 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 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 property tax base and the condition of the Association's infrastructure, is needed to assess the overall health of the Association.

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 (e.g., uncollected taxes and earned but unused vacation leave).



# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Management's Discussion and Analysis

May 31, 2021

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### USING THIS ANNUAL REPORT - Continued

Both of the government-wide financial statements distinguish functions of the Association that are principally supported by taxes and charges for services. The governmental activities of the Association consist of special recreation.

The Association includes one separate legal entity in its report. The Lincolnway Special Recreation Foundation is presented as a discretely presented component unit. Although legally separate, this "component unit" is important because the Association is financially accountable for it. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

### 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. All of the funds of the Association are considered governmental funds.

### 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 maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

The Association adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

### 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.

### 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 schedules for the General Fund.

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Management's Discussion and Analysis

May 31, 2021

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### 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 \$3,944,630.

	Net Position	
	2021	2020
Current and Other Assets	\$ 462,153	285,164
Capital Assets	4,199,351	4,318,161
Total Assets	4,661,504	4,603,325
Deferred Outflows	83,657	137,499
Total Assets/ Deferred Outflows	4,745,161	4,740,824
Long-Term Debt	362,272	706,140
Other Liabilities	210,257	147,507
Total Liabilities	572,529	853,647
Deferred Inflows	228,002	119,201
Total Liabilities/Deferred Inflows	800,531	972,848
Net Position		
Net Investment in Capital Assets	4,024,351	4,057,172
Unrestricted (Deficit)	(79,721)	(289,196)
Total Net Position	3,944,630	3,767,976

A large portion of the Association's net position, \$4,024,351, reflects its investment in capital assets (for example, buildings, vehicles, furniture and fixture, improvements, and office equipment), less any related debt used to acquire those assets that is still outstanding. The Association uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Association's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining deficit of \$79,721 represents unrestricted net position and may be used to meet the Association's ongoing obligations to citizens and creditors.

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Management's Discussion and Analysis  
May 31, 2021**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued**

	Changes in Net Position	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 216,759	786,300
Operating Grants/Contrib.	212,978	142,351
General Revenues		
Member Contributions	984,311	947,744
Interest Income	162	1,336
Miscellaneous Income	31,771	16,601
Total Revenues	<u>1,445,981</u>	<u>1,894,332</u>
Expenses		
Special Recreation	1,263,683	2,007,526
Interest on Long-Term Debt	5,644	13,488
Total Expenses	<u>1,269,327</u>	<u>2,021,014</u>
Change in Net Position	176,654	(126,682)
Net Position - Beginning	<u>3,767,976</u>	<u>3,894,658</u>
Net Position - Ending	<u><u>3,944,630</u></u>	<u><u>3,767,976</u></u>

Net position of the Association increased by 4.7 percent (\$3,767,976 in 2020 compared to \$3,944,630 in 2021). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled a deficit of \$79,721 at May 31, 2021.

**Governmental Activities**

Revenues for 2021 totaled \$1,445,981, while the cost of all programs totaled \$1,269,327. This results in a surplus of \$176,654. In 2020, revenues of \$1,894,332 fell short of expenses of \$2,021,014, resulting in a decrease of \$126,682. Although charges for services decreased 72.4 percent, the Association reported increases in member contributions, operating grants, and miscellaneous income. In addition there was a significant decrease in expenses of \$751,687 compared to 2020. All of these resulted in the overall increase to net position of \$176,654.

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Management's Discussion and Analysis  
May 31, 2021**

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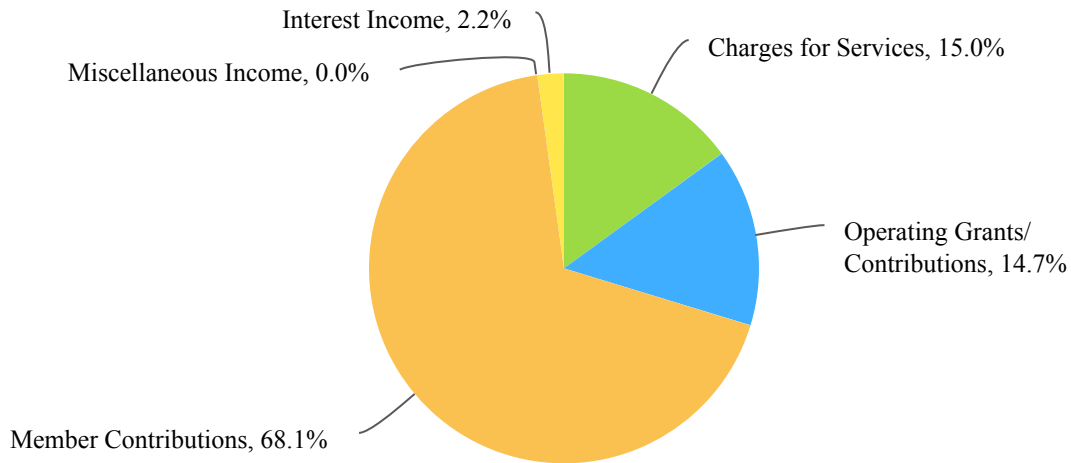
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Governmental Activities - Continued**

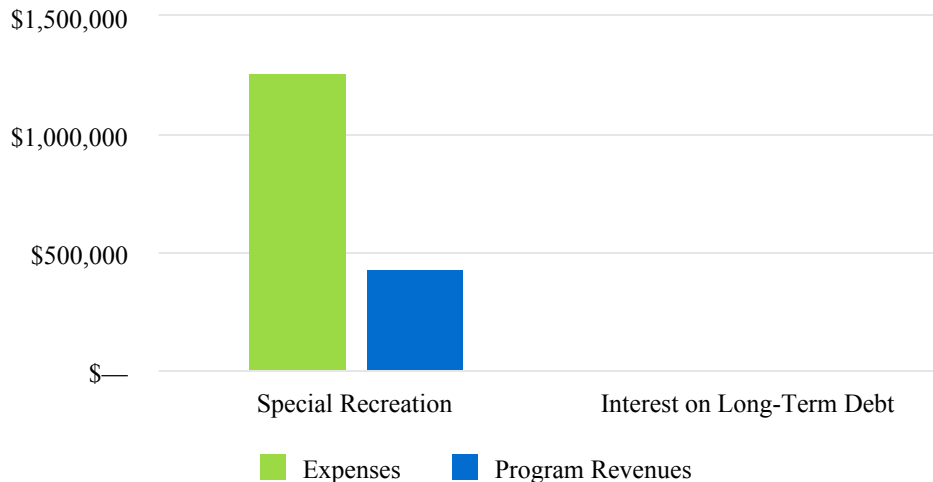
The following table graphically depicts the major revenue sources of the Association. It depicts very clearly the reliance on member contributions and charges for services to fund programs. It also clearly identifies the less significant percentage the Association receives from interest earnings.

**Revenues by Source - Governmental Activities**



The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.

**Expenses and Program Revenues - Governmental Activities**



# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Management's Discussion and Analysis

May 31, 2021

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### FINANCIAL ANALYSIS OF THE ASSOCIATION'S GENERAL 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 General Fund reported an ending fund balance of \$233,007, which is \$93,345, or 66.8 percent, higher than last year's total of \$139,662. The entire fund balance constitutes unassigned fund balance.

Although overall revenues of \$1,445,981 decreased by 23.7 percent compared to the prior year mostly due to a decline in charges for services due to the COVID-19 pandemic, member district contributions and intergovernmental revenues reported increases of \$36,567 and \$70,627 respectively. Additionally, expenditures of \$1,352,636 decreased by 33.8 percent compared to the prior year. These changes resulted in an increase to fund balance of \$93,345.

### BUDGETARY HIGHLIGHTS

The Association did not make budget amendments during the year. Actual revenues for the year totaled \$1,445,981, compared to final budgeted revenues of \$2,265,479. Charges for services were \$862,370 under budget while intergovernmental came in \$39,478 over budget

Actual expenditures for the year were \$909,027 less than final budgeted amounts (\$1,352,636 actual compared to \$2,261,663 budgeted) as a result of salary, employee benefit, and general and administrative expenditures coming in under budget.

### CAPITAL ASSETS

The Association's investment in capital assets as of May 31, 2021 was \$4,199,351 (net of accumulated depreciation). This investment in capital assets includes construction in progress, buildings, vehicles, furniture and fixtures, improvements, and office equipment.

	Capital Assets - Net of Depreciation	
	2021	2020
Construction in Progress	\$ 8,675	8,675
Buildings	3,758,072	3,843,146
Vehicles	180,497	196,954
Furnitures and Fixtures	—	2,574
Improvements	194,304	211,676
Office Equipment	57,803	55,136
	<u>4,199,351</u>	<u>4,318,161</u>

This year's major additions included \$19,217 in office equipment. Additional information on the Association's capital assets can be found in Note 3 of this report.

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Management's Discussion and Analysis

May 31, 2021

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### LONG-TERM DEBT OBLIGATIONS

At year-end, the Association had total outstanding debt of \$427,682 as compared to \$578,394 the previous year, a decrease of 26.1 percent. The following is a comparative statement of outstanding debt:

	Capital Assets - Net of Depreciation	
	2021	2020
Debt Certificates	\$ 175,000	260,000
Notes Payable	252,682	252,682
Installment Contracts	—	65,712
	<u>427,682</u>	<u>578,394</u>

Additional information on the Association's long-term debt 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.

The COVID-19 outbreak in the United States has caused business disruption to Association operations. While the disruptions is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. The Association is reviewing how this matter may impact its operating results. However, any related financial impact and the duration cannot be reasonably estimated at this time.

### 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 Keith Wallace, Executive Director, Lincolnway Special Recreation Association, 1900 Heather Glen Drive, New Lenox, IL 60151.

## **BASIC FINANCIAL STATEMENTS**

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Statement of Net Position**

**May 31, 2021**

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**See Following Page**



LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Statement of Net Position

May 31, 2021

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	Governmental Activities	Component Unit Lincolnway Special Recreation Foundation
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 352,929	26,847
Noncurrent Assets		
Capital Assets		
Nondepreciable	8,675	—
Depreciable	5,302,556	—
Accumulated Depreciation	(1,111,880)	—
Total Capital Assets	4,199,351	—
Other Assets		
Net Pension Asset - IMRF	109,224	
Total Noncurrent Assets	4,308,575	—
Total Assets	4,661,504	26,847
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	83,657	—
Total Assets and Deferred Outflows of Resources	4,745,161	26,847

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

	Governmental Activities	Component Unit Lincolnway Special Recreation Foundation
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	21,773	—
Accrued Payroll	16,397	—
Accrued Interest Payable	438	—
Unearned Revenue	81,752	—
Current Portion of Long-Term Debt	89,897	—
Total Current Liabilities	<u>210,257</u>	<u>—</u>
Noncurrent Liabilities		
Compensated Absences	19,590	—
Debt Certificates Payable	90,000	—
Notes Payable	252,682	—
Total Noncurrent Liabilities	<u>362,272</u>	<u>—</u>
Total Liabilities	<u>572,529</u>	<u>—</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	228,002	—
Total Liabilities and Deferred Inflows of Resources	<u>800,531</u>	<u>—</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,024,351	—
Unrestricted (Deficit)	<u>(79,721)</u>	<u>26,847</u>
Total Net Position	<u>3,944,630</u>	<u>26,847</u>

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

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Statement of Activities**

**For the Fiscal Year Ended May 31, 2021**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
Special Recreation	\$ 1,263,683	216,759	212,978	—
Interest on Long-Term Debt	5,644	—	—	—
Total Governmental Activities	<u>1,269,327</u>	<u>216,759</u>	<u>212,978</u>	<u>—</u>
Component Unit				
Lincolway Special Recreation Foundation	<u>99,402</u>	<u>—</u>	<u>32,518</u>	<u>—</u>

General Revenues  
 Member Contributions  
 Interest Income  
 Other

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues	
Primary Government Governmental Activities	Component Unit Lincolnway Special Recreation Foundation
(833,946)	—
(5,644)	—
<u>(839,590)</u>	<u>—</u>
—	(66,884)
984,311	—
162	—
31,771	20,122
<u>1,016,244</u>	<u>20,122</u>
176,654	(46,762)
<u>3,767,976</u>	<u>73,609</u>
<u>3,944,630</u>	<u>26,847</u>

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

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Balance Sheet - Governmental Fund**

**May 31, 2021**

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	<u>\$ 352,929</u>
<b>LIABILITIES</b>	
Accounts Payable	21,773
Accrued Payroll	16,397
Unearned Revenues	<u>81,752</u>
Total Liabilities	119,922
<b>FUND BALANCES</b>	
Unassigned	<u>233,007</u>
Total Liabilities and Fund Balances	<u><u>352,929</u></u>

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

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities  
May 31, 2021**

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<b>Total Governmental Fund Balances</b>	\$ 233,007
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.	4,199,351
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	109,224
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(144,345)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable Debt Certificates Payable Notes Payable Accrued Interest Payable	(24,487) (175,000) (252,682) (438)
<b>Net Position of Governmental Activities</b>	<u><u>3,944,630</u></u>

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

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund  
For the Fiscal Year Ended May 31, 2021

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	<u>General</u>
Revenues	
Intergovernmental	\$ 212,978
Member District Contribution Revenues	984,311
Charges for Services	216,759
Interest Income	162
Other	31,771
Total Revenues	<u>1,445,981</u>
Expenditures	
Special Recreation	
Salaries	556,992
Employee Benefits	210,578
General and Administrative	255,717
Capital Outlay	170,437
Debt Service	
Principal Retirement	150,712
Interest and Fiscal Charges	8,200
Total Expenditures	<u>1,352,636</u>
Net Change in Fund Balances	93,345
Fund Balances - Beginning	<u>139,662</u>
Fund Balances - Ending	<u><u>233,007</u></u>

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

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Fund to the Statement of Activities**

**For the Fiscal Year Ended May 31, 2021**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 93,345**

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 Outlays	19,217
Depreciation Expense	(138,027)

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

Change in Deferred Items - IMRF	(151,910)
Change in Deferred Items - RBP	(10,733)

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.

Change in Compensated Absences Payable	2,041
Change in Net Pension Liability - IMRF	162,616
Change in Total OPEB Liability - RBP	46,837
Retirement of Debt	150,712
Amortization of Bond Premium	989

Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

1,567

**Changes in Net Position of Governmental Activities**

176,654



# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincolnway Special Recreation Association (Association) was formed in 1976 for the establishment, maintenance, and management of joint recreation programs for persons with disabilities of all the participating park districts. The Association is comprised of seven park districts: New Lenox Park District, Mokena Park District, Frankfort Park District, Peotone Park District, Manhattan Park District, Wilmington Island Park District, and Frankfort Square Park District. The major portion of the funding comes from assessments of the member districts. By cooperating, the partner communities consolidate their resources and populations, and hire staff who are trained to work with special populations. Each partner community appoints one representative to the Association's Board of Directors.

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

The Association's financial reporting entity comprises the following:

Primary Government:	Lincolnway Special Recreation Association
Discretely Presented Component Unit:	Lincolnway Special Recreation Foundation

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. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the Association have been included.

#### Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described in GASB Statement No. 61 but do not meet the criteria for blending.

#### Lincolnway Special Recreation Foundation

The Lincolnway Special Recreation Foundation (the Foundation) is being reported as a discretely presented component unit of the Association as it is legally separate from the District. The Foundation is a discretely presented component unit because the resources received and held by the Foundation are entirely for the direct benefit of the Association, the Association has the ability to access those resources, and those resources are significant to the Association. Separate financial statements of the Foundation are available by contacting the Administrative Office of the Lincolnway Special Recreation Association, 1900 Heather Glen Drive, New Lenox, IL 60451.

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### 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.

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.

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.

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### BASIS OF PRESENTATION - Continued

##### Fund Financial Statements - Continued

##### Governmental Funds

The focus of the governmental funds' 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. The following is a description of the governmental funds of the Association:

*General Fund* is the general operating fund of the Association. It is used to account for all financial resources of the Association. The General Fund is a major fund.

#### 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.

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.

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

##### Basis of Accounting - Continued

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. For the purpose of the proprietary funds’ Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the 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. The Association has no investments at year-end.

##### Capital Assets

Capital assets purchased or acquired with an original cost of more than \$500, 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:

Buildings	50 Years
Vehicles	5 - 8 Years
Furniture and Fixtures	5 - 10 Years
Improvements	15 Years
Office Equipment	5 - 7 Years

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### 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.

Vested or accumulated vacation of governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees. Full-time employees are granted vacation days, based on the employee’s regular work schedule, at a rate determined by their calendar year of service. Those with 1-4 year of service will accrue 10 days; 5-9 years of service will accrue 15 days; 10-14 years of service will accrue 20 days and 15 or more will accrue 25 days. A maximum of 5 days carried forward to the next calendar year. Any accumulated days must be used no later than April 1st. Full-time employees are granted 12 sick days per year based on their regular work schedule, at the rate of one per month, up to a maximum accumulation of 20 days.

##### Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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.

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### 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:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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 “net 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 in accordance with GAAP.
- All budget authority lapses at the end of the year.
- No budget amendments were made in the current year.

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### 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 Funds.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, which is the price for which the investment could be sold.

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

At year-end, the carrying amount of the Association's deposits totaled \$287,144 and the bank balances totaled \$329,198. Additionally, at year-end, the Association has \$65,785 invested in the Illinois Funds.

*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 limits interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The Illinois Funds has an average maturity of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association limits credit risk by investing in the safest types of securities. The Association's investments in the Illinois Funds are rated AAAM by Standard & Poor's.

*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 limits custodial credit risk for deposits by not maintaining funds in any financial institution that is not a member of the FDIC or SIPC system. Furthermore, the Association will not maintain funds in any financial institution not willing to post, or not capable of posting, required collateral for funds in excess of the FDIC or SIPC insurable limits. At May 31, 2021, the Association's investments in the Illinois Funds was not subject to custodial credit risk.

For an investment, this is the risk in the event of the failure of the counterparty, the Association will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Association limits custodial credit risk for investments by prequalifying the financial institutions, brokers, dealers, intermediaries, and advisors with which the Association will do business.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Association's investment in a single issuer. The Association limits concentration risk by diversifying the investment portfolio so that potential losses on individual securities will be minimized. Investments in any one particular bank or savings and loan shall not exceed 10% of the investment portfolio. At year-end, the Association does not have any investments over 10 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).

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2021**

**NOTE 3 - DETAIL NOTES ON THE ASSOCIATION - Continued**

**CAPITAL ASSETS**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Construction in Progress	\$ 8,675	—	—	8,675
<b>Depreciable Capital Assets</b>				
Buildings	4,334,431	—	—	4,334,431
Vehicles	510,569	—	—	510,569
Furniture and Fixtures	11,189	—	—	11,189
Improvements	260,584	—	—	260,584
Office Equipment	166,566	19,217	—	185,783
	<u>5,283,339</u>	<u>19,217</u>	<u>—</u>	<u>5,302,556</u>
<b>Less Accumulated Depreciation</b>				
Buildings	491,285	85,074	—	576,359
Vehicles	313,615	16,457	—	330,072
Furniture and Fixtures	8,615	2,574	—	11,189
Improvements	48,908	17,372	—	66,280
Office Equipment	111,430	16,550	—	127,980
	<u>973,853</u>	<u>138,027</u>	<u>—</u>	<u>1,111,880</u>
Total Net Depreciable Capital Assets	<u>4,309,486</u>	<u>(118,810)</u>	<u>—</u>	<u>4,190,676</u>
Total Net Capital Assets	<u>4,318,161</u>	<u>(118,810)</u>	<u>—</u>	<u>4,199,351</u>

Depreciation expense of \$138,027 was charged to the special recreation function.



**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT**

**Debt Certificates**

The Association issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,025,000 General Obligation Debt Certificates of 2013A - Due in annual installments of \$60,000 to \$1,310,000 plus interest at 1.25% to 3.00% through May 1, 2023.	\$ 260,000	—	85,000	175,000

**Notes Payable**

The Association enters into notes payable for the Paycheck Protection Program. Notes payable are direct obligations and pledge the full faith and credit of the Association. There was no repayment schedule available as of the date of this report. Notes payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$252,682 Note Payable of 2020 - Due in one installment plus interest at 1.00% through April 24, 2022.	\$ 252,682	—	—	252,682

**Installment Contract Payable**

The Association also issues installment contracts payable to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$8,520,000 Installment Contract of 2018 - Due in annual installments of \$185,000 to \$965,000 plus interest at 3.75% through December 30, 2021.	\$ 65,712	—	65,712	—

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2021**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LONG-TERM DEBT - Continued**

**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
<b>Governmental Activities</b>					
Compensated Absences	\$ 26,528	2,041	4,082	24,487	4,897
Net Pension Liability/(Asset) - IMRF	53,392	—	162,616	(109,224)	—
Total OPEB Liability - OPEB	46,837	—	46,837	—	—
Debt Certificates	260,000	—	85,000	175,000	85,000
Unamortized Premium	989	—	989	—	—
Notes Payable	252,682	—	—	252,682	—
Installment Contract Payable	65,712	—	65,712	—	—
	<u>706,140</u>	<u>2,041</u>	<u>365,236</u>	<u>342,945</u>	<u>89,897</u>

The Association has applied for forgiveness of their Paycheck Protection Program loan with the United States Small Business Association. The Association has not received notification of forgiveness as of the opinion date.

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Debt Certificate	
	Principal	Interest
2022	\$ 85,000	5,250
2023	90,000	2,700
	<u>175,000</u>	<u>7,950</u>

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2021**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**FUND BALANCE CLASSIFICATIONS**

In the governmental funds 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 committed, then assigned 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.

*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.

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

Fund Balances	
Unassigned	<u>\$ 233,007</u>

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2021**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**NET POSITION CLASSIFICATION**

Net investment in capital assets was comprised of the following as of May 31, 2021:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	4,199,351
Less Capital Related Debt:		
Debt Certificates of 2013A		<u>(175,000)</u>
Net Investment in Capital Assets		<u><u>4,024,351</u></u>

**MEMBER CONTRIBUTIONS**

Contributions received from members during the 2021 fiscal year were:

	<u>Members</u>	<u>Contributions</u>
New Lenox Park District	\$	309,812
Mokena Park District		237,543
Frankfort Park District		180,597
Peotone Park District		21,035
Manhattan Park District		73,909
Wilmington Island Park District		32,095
Frankfort Square Park District		<u>129,320</u>
		<u><u>984,311</u></u>

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2021**

**NOTE 4 - OTHER INFORMATION**

**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 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 districts, 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 as of January 1, 2021 to January 1, 2022:

<b>Coverage</b>	<b>Member Deductible</b>	<b>PDRMA Self-Insured Retention</b>	<b>Limits</b>
Property/Bldg/Contents			
All Losses Per Occurrence	\$1,000	\$1,000,000	\$1,000,000,000/All Members
Flood/Except Zones A & V	\$1,000	\$1,000,000	\$100,000,000/Occurrence/Annual Aggregate
Flood, Zones A & V	\$1,000	\$1,000,000	\$50,000,000/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
Tax Revenue Interruption	\$1,000	\$1,000,000	\$3,000,000/Reported Values
			\$1,000,000/Non-Reported Values
Business Interruption, Rental Income	\$1,000		\$100,000,000/Reported Values
			\$500,000/\$2,500,000/Non-Reported Values
Off Premises 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
<b>WORKERS COMPENSATION</b>			
Employers Liability	N/A	\$500,000	Statutory
		\$500,000	\$3,500,000 Employers Liability
<b>LIABILITY</b>			
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
Communicable Disease	\$1,000/\$5,000	\$5,000,000	\$250,000/Claim/Aggregate;
			\$5,000,000 Aggregate All Members

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2021**

**NOTE 4 - OTHER INFORMATION - Continued**

**RISK MANAGEMENT - Continued**

**Park District Risk Management Agency (PDRMA) - Continued**

<b>Coverage</b>	<b>Member Deductible</b>	<b>PDRMA Self-Insured Retention</b>	<b>Limits</b>
<b>POLLUTION LIABILITY</b>			
Liability - Third Party	None	\$25,000	\$5,000,000/Occurrence
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 Year Aggregate
<b>OUTBREAK EXPENSE</b>			\$1,000,000 Aggregate Policy Limit
Outbreak Suspension	24 Hours	N/A	\$5,000/\$25,000/Day All Locations
			\$150,000/\$500,000 Aggregate
Workplace Violence Suspension	24 Hours	N/A	\$15,000/Day All Locations 5 Day Maximum
Fungus Suspension	24 Hours	N/A	\$15,000/Day All Locations 5 Day Maximum
<b>INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA</b>			
<b>LIABILITY COVERAGE</b>			
Breach Response	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Business Interruption	8 Hours	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Business Interruption due to			
System Failure	8 Hours	\$100,000	\$250,000/Occurrence/Annual Aggregate
Dependent Business Loss	8 Hours	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Liability	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
eCrime	\$1,000	\$100,000	\$50,000/Occurrence/Annual Aggregate
Criminal Reward	\$1,000	\$100,000	\$50,000/Occurrence/Annual Aggregate
<b>DEADLY WEAPON RESPONSE</b>			
Liability	\$1,000	\$9,000	\$500,000/Occurrence/\$2,500,000 Annual Aggregate
First Party Property	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Crisis Management Services	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Counseling/Funeral Expenses	\$1,000	\$9,000	\$250,000/Occurrence as part of overall limit
Medical Expenses	\$1,000	\$9,000	\$25,000/person/\$500,000 Annual Aggregate
AD&D	\$1,000	\$9,000	\$50,000/person/\$500,000 Annual Aggregate
<b>VOLUNTEER MEDICAL ACCIDENT</b>			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense Excess of any other Collectible Insurance
<b>UNDERGROUND STORAGE TANK LIABILITY</b>			
Underground Storage Tank Liability	None	N/A	\$10,000, Follows Illinois Leaking Underground Tank Fund
<b>UNEMPLOYMENT COMPENSATION</b>			
Unemployment Compensation	N/A	N/A	Statutory

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

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### NOTE 4 - OTHER INFORMATION - Continued

#### RISK MANAGEMENT - Continued

##### Park District Risk Management Agency (PDRMA) - Continued

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.

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, 2020 and the statement of revenues and expenses for the period ending December 31, 2020. The District's portion of the overall equity of the pool is 0.039% or \$22,368.

Assets	\$ 76,433,761
Deferred Outflows of Resources - Pension	1,015,561
Liabilities	19,892,387
Deferred Inflows of Resources - Pension	798,816
Total Net Position	56,758,119
Operating Revenues	19,454,155
Nonoperating Revenues	4,109,196
Expenditures	16,158,333

Since 89.98% 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 Member Balances are adjusted annually as more recent loss information becomes available.

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### NOTE 4 - OTHER INFORMATION - Continued

#### RISK MANAGEMENT - Continued

##### Park District Risk Management Agency (PDRMA) Health Program

Since September 1, 1997, the Association has been a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance 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).

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 District 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, 2020 and the statement of revenues and expenses for the period ending December 31, 2020.

Assets	\$ 29,550,609
Deferred Outflows of Resources - Pension	435,241
Liabilities	5,326,323
Deferred Inflows of Resources - Pension	342,350
Total Net Position	24,317,177
Operating Revenues	34,484,852
Nonoperating Revenues	1,999,072
Expenditures	32,395,210

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.



# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### NOTE 4 - OTHER INFORMATION - Continued

#### CONTINGENT LIABILITIES

##### 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.

##### Litigation

The Association is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Association's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Association.

##### Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Association's operations and financial position cannot be determined.

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

##### Illinois Municipal Retirement Fund (IMRF)

The Association contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. 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](http://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.

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

*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.

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, 2020, 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	43
Active Plan Members	<u>31</u>
Total	<u><u>76</u></u>

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

*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 May 31, 2021, the Association's contribution was 7.24% of covered payroll.

*Net Pension Liability/(Asset).* The Association's net pension liability/(asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2021

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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.* 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:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	28.00%	1.30%
Domestic Equities	37.00%	5.00%
International Equities	18.00%	6.00%
Real Estate	9.00%	6.20%
Blended	7.00%	2.85% - 6.95%
Cash and Cash Equivalents	1.00%	0.70%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. 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.

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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 net 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:

	Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset) \$	63,439	(109,224)	(232,943)

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, 2019	\$ 1,040,941	987,549	53,392
Changes for the Year:			
Service Cost	74,213	—	74,213
Interest on the Total Pension Liability	76,729	—	76,729
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(73,124)	—	(73,124)
Changes of Assumptions	(34,710)	—	(34,710)
Contributions - Employer	—	47,746	(47,746)
Contributions - Employees	—	28,049	(28,049)
Net Investment Income	—	135,574	(135,574)
Benefit Payments, Including Refunds of Employee Contributions	(39,421)	(39,421)	—
Other (Net Transfer)	—	(5,645)	5,645
Net Changes	3,687	166,303	(162,616)
Balances at December 31, 2020	1,044,628	1,153,852	(109,224)

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements**

**May 31, 2021**

**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**

For the year ended May 31, 2021, the Association recognized pension expense of \$29,002. At May 31, 2021, the Association reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 45,972	(110,294)	(64,322)
Change in Assumptions	22,225	(44,362)	(22,137)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(73,346)	(73,346)
Total Expenses to be Recognized in Future Periods	68,197	(228,002)	(159,805)
Pension Contributions Made Subsequent to the Measurement Date	15,460	—	15,460
Total Deferred Amounts Related to IMRF	<u>83,657</u>	<u>(228,002)</u>	<u>(144,345)</u>

\$15,460 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 May 31, 2022. 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 (Inflows) of Resources
2022	\$ (31,010)
2023	(27,150)
2024	(51,877)
2025	(35,614)
2026	(14,154)
Thereafter	<u>—</u>
Total	<u>(159,805)</u>

# LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements

May 31, 2021

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### 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 May 31, 2021.

## **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 Employer Contributions  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)  
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.



**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
May 31, 2021**

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
2015	\$ 43,956	\$ 43,956	\$ —	\$ 497,794	8.83%
2016	46,365	46,365	—	519,404	8.93%
2017	52,133	52,133	—	572,405	9.11%
2018	52,567	52,567	—	623,379	8.43%
2019	61,517	61,517	—	731,882	8.41%
2020	61,075	61,075	—	759,501	8.04%
2021	39,708	39,708	—	548,312	7.24%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note:

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

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Schedule of Changes in the Employer's Net Pension Liability/(Asset)**

**May 31, 2021**

	<u>12/31/2014</u>
Total Pension Liability	
Service Cost	\$ 52,806
Interest	34,979
Differences Between Expected and Actual Experience	74,561
Change of Assumptions	22,141
Benefit Payments, Including Refunds of Member Contributions	<u>(31,019)</u>
Net Change in Total Pension Liability	153,468
Total Pension Liability - Beginning	<u>455,491</u>
Total Pension Liability - Ending	<u><u>608,959</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 40,639
Contributions - Members	21,720
Net Investment Income	27,147
Benefit Payments, Including Refunds of Member Contributions	(31,019)
Other (Net Transfer)	<u>5,705</u>
Net Change in Plan Fiduciary Net Position	64,192
Plan Net Position - Beginning	<u>429,364</u>
Plan Net Position - Ending	<u><u>493,556</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 115,403</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)	81.05%
Covered Payroll	\$ 482,394
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	23.92%

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

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/30/2019	12/31/2020
48,903	49,646	52,755	56,218	71,419	74,213
46,688	51,157	58,122	67,472	72,363	76,729
(12,863)	18,615	88,927	(34,754)	(46,917)	(73,124)
—	—	(41,519)	40,103	—	(34,710)
(21,813)	(25,203)	(31,022)	(39,663)	(36,652)	(39,421)
60,915	94,215	127,263	89,376	60,213	3,687
608,959	669,874	764,089	891,352	980,728	1,040,941
669,874	764,089	891,352	980,728	1,040,941	1,044,628
43,771	52,446	51,079	54,912	65,476	47,746
23,145	24,635	27,396	29,072	35,542	28,049
2,581	37,960	106,893	(35,288)	141,882	135,574
(21,813)	(25,203)	(31,022)	(39,663)	(36,652)	(39,421)
2,984	(1,234)	(13,696)	8,404	(9,614)	(5,645)
50,668	88,604	140,650	17,437	196,634	166,303
493,556	544,224	632,828	773,478	790,915	987,549
544,224	632,828	773,478	790,915	987,549	1,153,852
125,650	131,261	117,874	189,813	53,392	(109,224)
81.24%	82.82%	86.78%	80.65%	94.87%	110.46%
514,345	547,455	608,791	643,769	789,810	623,309
24.43%	23.98%	19.36%	29.48%	6.76%	(17.52%)

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

**For the Fiscal Year Ended May 31, 2021**

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 173,500	173,500	212,978
Member District Contributions	984,370	984,370	984,311
Charges for Services	1,079,129	1,079,129	216,759
Interest Income	1,600	1,600	162
Other	26,880	26,880	31,771
Total Revenues	<u>2,265,479</u>	<u>2,265,479</u>	<u>1,445,981</u>
Expenditures			
Special Recreation			
Salaries	1,150,209	1,150,209	556,992
Employee Benefits	273,490	273,490	210,578
General and Administrative	535,164	535,164	255,717
Capital Outlay	144,000	144,000	170,437
Debt Service			
Principal Retirement	151,000	151,000	150,712
Interest and Fiscal Charges	7,800	7,800	8,200
Total Expenditures	<u>2,261,663</u>	<u>2,261,663</u>	<u>1,352,636</u>
Net Change in Fund Balance	<u>3,816</u>	<u>3,816</u>	93,345
Fund Balance - Beginning			<u>139,662</u>
Fund Balance - Ending			<u><u>233,007</u></u>

## **OTHER SUPPLEMENTARY INFORMATION**

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual**

**For the Fiscal Year Ended May 31, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Intergovernmental			
Grants	\$ 30,000	30,000	105,400
Donations	143,500	143,500	107,578
	<u>173,500</u>	<u>173,500</u>	<u>212,978</u>
Member District Contributions			
New Lenox Park District	309,812	309,812	309,812
Mokena Park District	237,543	237,543	237,543
Frankfort Park District	180,598	180,598	180,597
Peotone Park District	21,073	21,073	21,035
Manhattan Park District	73,909	73,909	73,909
Wilmington Island Park District	32,095	32,095	32,095
Frankfort Square Park District	129,340	129,340	129,320
	<u>984,370</u>	<u>984,370</u>	<u>984,311</u>
Charges for Services			
Transportation and Door-to-Door	60,000	60,000	47,017
Concessions and Vending Machine	1,000	1,000	11
Rentals	16,000	16,000	3,057
Special	61,000	61,000	8,875
Tournament	15,000	15,000	—
Titans	450,000	450,000	35,744
Youth	70,000	70,000	1,753
After School	70,000	70,000	57
Summer Camp	115,000	115,000	29,652
Inclusion	5,129	5,129	—
Virtual	6,000	6,000	55,832
Olympics	85,000	85,000	12,549
Special Events	95,000	95,000	10,162
Teen and Adult	30,000	30,000	12,050
	<u>1,079,129</u>	<u>1,079,129</u>	<u>216,759</u>
Interest	<u>1,600</u>	<u>1,600</u>	<u>162</u>
Other			
Marketing and Outreach	18,880	18,880	28,914
Miscellaneous	8,000	8,000	2,857
	<u>26,880</u>	<u>26,880</u>	<u>31,771</u>
Total Revenues	<u>2,265,479</u>	<u>2,265,479</u>	<u>1,445,981</u>

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual**

**For the Fiscal Year Ended May 31, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Special Recreation			
Salaries			
Executive Director	\$ 111,983	111,983	111,195
Administrative Staff	423,730	423,730	356,349
Overtime	450	450	—
Superintendent of Recreation	65,500	65,500	62,556
Marketing and Outreach	45,678	45,678	23,985
Special Olympics	31,000	31,000	120
Adapted Sports	8,800	8,800	86
Tournament	3,000	3,000	—
Titans	237,756	237,756	2,073
Youth	31,000	31,000	—
After School	43,500	43,500	—
Summer Camp	96,500	96,500	78
Inclusion	26,812	26,812	197
Virtual	1,000	1,000	—
Special Events	12,500	12,500	175
Teen and Adult	11,000	11,000	178
	<u>1,150,209</u>	<u>1,150,209</u>	<u>556,992</u>
Employee Benefits			
FICA	72,388	72,388	37,316
IMRF	63,146	63,146	39,213
Insurance	137,956	137,956	134,049
	<u>273,490</u>	<u>273,490</u>	<u>210,578</u>
General and Administrative			
Safety and Training	4,500	4,500	4,303
Seminars, Conferences, and Dues	13,000	13,000	10,663
Mileage Reimbursement	1,500	1,500	242
Audit	10,000	10,000	5,225
Legal	15,000	15,000	15,330
Printing	4,000	4,000	—
Postage	1,300	1,300	213
Telephone	11,200	11,200	11,029

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**

**For the Fiscal Year Ended May 31, 2021**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Special Recreation - Continued			
General and Administrative - Continued			
IT Service	\$ 1,500	1,500	6,774
Advertising	400	400	139
Accounting Service	36,500	36,500	18,546
Professional Fees	25,000	25,000	21,220
Gifts	150	150	172
Driver Training and Drug Testing	300	300	—
Vehicle Maintenance	78,000	78,000	30,105
Utilities	24,000	24,000	16,062
Student Scholarships	500	500	1,000
Special Events - Staff	2,000	2,000	1,926
Staff and Volunteer Apparel	1,500	1,500	—
Marketing and Outreach	18,250	18,250	18,748
General Program Supplies	209,010	209,010	35,427
Office Supplies	27,800	27,800	18,953
Maintenance	49,754	49,754	39,640
	<u>535,164</u>	<u>535,164</u>	<u>255,717</u>
Total Special Recreation	<u>1,958,863</u>	<u>1,958,863</u>	<u>1,023,287</u>
Capital Outlay	<u>144,000</u>	<u>144,000</u>	<u>170,437</u>
Debt Service			
Principal Retirement	151,000	151,000	150,712
Interest and Fiscal Charges	7,800	7,800	8,200
Total Debt Service	<u>158,800</u>	<u>158,800</u>	<u>158,912</u>
Total Expenditures	<u><u>2,261,663</u></u>	<u><u>2,261,663</u></u>	<u><u>1,352,636</u></u>



## **SUPPLEMENTAL SCHEDULE**

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**General Obligation Debt Certificates of 2013A**

**May 31, 2021**

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Date of Issue	November 1, 2013
Date of Maturity	May 1, 2023
Authorized Issue	\$2,025,000
Denomination of Bonds	\$5,000
Interest Rates	1.25% - 3.00%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	Ehlers Public Finance

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal				
Year	Principal	Interest	Totals	
2022	\$ 85,000	5,250	90,250	
2023	90,000	2,700	92,700	
	<u>175,000</u>	<u>7,950</u>	<u>182,950</u>	