

LINCOLNWAY SPECIAL RECREATION
ASSOCIATION, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2022

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	16
Fund Financial Statements	
Balance Sheet - Governmental Fund	18
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Fund	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Activities to the Statement of Activities	21
Notes to Financial Statements	22
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions Illinois Municipal Retirement Fund	45
Schedule of Changes in the Employer's Net Pension Liability/(Asset) Illinois Municipal Retirement Fund	46
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund	48
OTHER SUPPLEMENTARY INFORMATION	
General Fund - Schedule of Revenues - Budget to Actual	50
General Fund - Schedule of Expenditures - Budget to Actual	51
SUPPLEMENTAL SCHEDULE	
General Obligation Debt Certificates of 2013A	54

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

January 11, 2023

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

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the Lincolnway Special Recreation Association Illinois, as of and for the year ended May 31, 2022, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

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 were not audited, and we were not engaged to audit the Lincolnway Special Recreation Foundation's financial statements as part of our audit of the Association's financial statements. The 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 Lincolnway Special Recreation Association, Illinois, as of May 31, 2022, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedules, and GASB-required pension reporting, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincolnway Special Recreation Association, Illinois' basic financial statements. The other supplementary information and supplemental schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, other supplementary information and supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis

May 31, 2022

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, 2022. 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 \$330,667 or 8.5 percent.
- During the year, government-wide revenues totaled \$1,931,434, while expenses totaled \$1,600,767 resulting in an increase to net position of \$330,667.
- The Association's net position totaled \$4,223,167 on May 31, 2022, which includes \$3,920,866 net investment in capital assets and \$302,301 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$75,176, resulting in ending fund balance of \$308,183, an increase of 32.3 percent.
- Beginning net position was restated due to the implementation of new capital asset thresholds.

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, 2022

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, 2022

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 \$4,223,167.

	Net Position	
	2022	2021
Current and Other Assets	\$ 676,258	462,153
Capital Assets	4,010,866	4,199,351
Total Assets	4,687,124	4,661,504
Deferred Outflows	59,904	83,657
Total Assets/Deferred Outflows	4,747,028	4,745,161
Long-Term Debt	22,457	362,272
Other Liabilities	255,263	210,257
Total Liabilities	277,720	572,529
Deferred Inflows	246,141	228,002
Total Liabilities/Deferred Inflows	523,861	800,531
Net Position		
Net Investment in Capital Assets	3,920,866	4,024,351
Unrestricted (Deficit)	302,301	(79,721)
Total Net Position	4,223,167	3,944,630

A large portion of the Association's net position, \$3,920,866, 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 \$302,301 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, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position	
	2022	2021
Revenues		
Program Revenues		
Charges for Services	\$ 541,252	216,759
Operating Grants/Contrib.	339,121	212,978
General Revenues		
Member Contributions	1,018,189	984,311
Interest Income	140	162
Other	32,732	31,771
Total Revenues	<u>1,931,434</u>	<u>1,445,981</u>
Expenses		
Special Recreation	1,595,730	1,263,683
Interest on Long-Term Debt	5,037	5,644
Total Expenses	<u>1,600,767</u>	<u>1,269,327</u>
Change in Net Position	330,667	176,654
Net Position - Beginning as Restated	<u>3,892,500</u>	<u>3,767,976</u>
Net Position - Ending	<u><u>4,223,167</u></u>	<u><u>3,944,630</u></u>

Net position of the Association increased by 8.5 percent (\$3,892,500 restated balance in 2021 compared to \$4,223,167 in 2022). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$302,301 at May 31, 2022.

Governmental Activities

Revenues for 2022 totaled \$1,931,434, while the cost of all programs totaled \$1,600,767. This results in a surplus of \$330,667. In 2021, revenues of \$1,445,981 exceeded of expenses of \$1,269,327, resulting in an increase of \$176,654. The Association reported increases in operating grants and decreases in interest income. The Association also reported increases in member contributions, charges for services, and other income. In addition, there was an increase in expenses of \$331,440 compared to 2021. All of these resulted in the overall increase to net position of \$330,667.

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

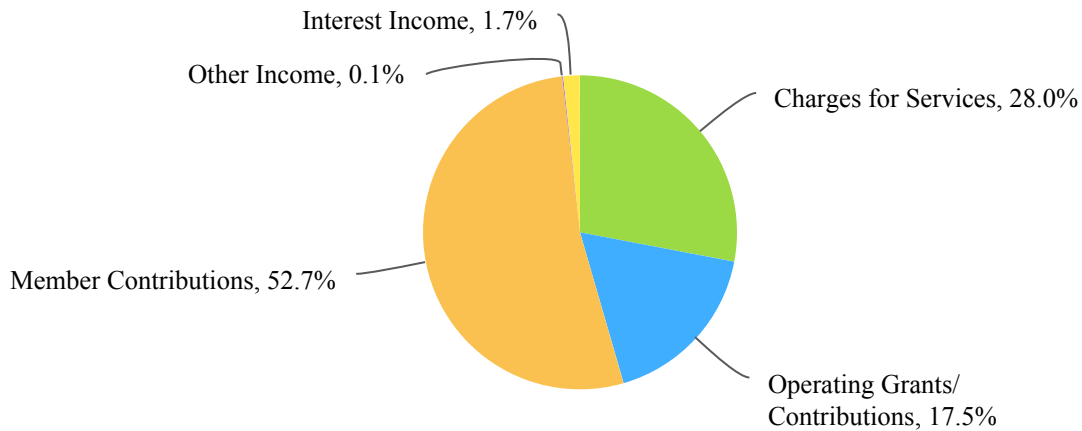
**Management's Discussion and Analysis
May 31, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Governmental Activities - Continued

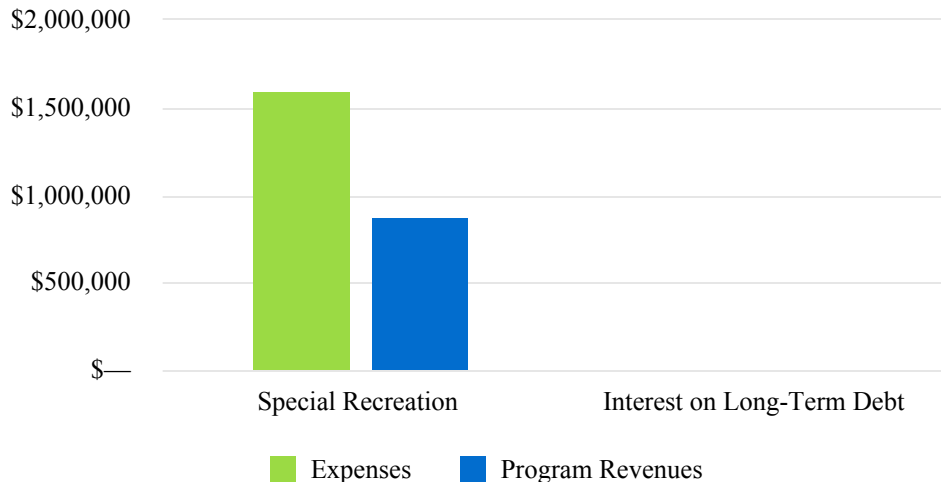
The following table graphically depicts the major revenue sources of the Association. It depicts very clearly the reliance on member contributions and charges for services to fund programs. It also clearly identifies the less significant percentage the Association receives from interest earnings.

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, 2022

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 \$308,183, which is \$75,176, or 32.3 percent, higher than last year's total of \$233,007. The entire fund balance constitutes unassigned fund balance.

Overall revenues of \$1,678,752 increased by 16.1 percent compared to the prior year in the amount of \$1,445,981, mostly due to an increase of \$324,493 in enrollment and services offered with the lifting of COVID-19 pandemic restrictions, and an increase of \$33,878 in member district contributions. Additionally, expenditures of \$1,603,576 increased by 18.6 percent compared to the prior year. These changes resulted in an increase to fund balance of \$75,176.

BUDGETARY HIGHLIGHTS

The Association did not make budget amendments during the year. Actual revenues for the year totaled \$1,678,752, compared to final budgeted revenues of \$1,616,205. Charges for services were \$48,928 over budget, member district contributions were \$101,868 over budget, while intergovernmental came in \$81,220 under budget

Actual expenditures for the year were \$318,827 more than final budgeted amounts (\$1,603,576 actual compared to \$1,284,749 budgeted) as a result of salary, and general and administrative expenditures coming in over budget.

CAPITAL ASSETS

The Association's investment in capital assets as of May 31, 2022 was \$4,010,866 (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	
	2022	2021
Construction in Progress	\$ 8,675	8,675
Buildings	3,663,794	3,750,571
Vehicles	151,794	180,498
Improvements	152,981	167,730
Office Equipment	33,622	39,747
	<u>4,010,866</u>	<u>4,147,221</u>

The District has no capital assets additions this year. 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, 2022

LONG-TERM DEBT OBLIGATIONS

At year-end, the Association had total outstanding debt of \$90,000 as compared to \$427,682 the previous year, a decrease of 79.0 percent. The following is a comparative statement of outstanding debt:

	<u>Capital Assets - Net of Depreciation</u>	
	<u>2022</u>	<u>2021</u>
Debt Certificates	\$ 90,000	175,000
Notes Payable	—	252,682
	<u>90,000</u>	<u>427,682</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 Association has returned funds received from the federal Employee Retention Credit program in FY23 however, this return will not impact operations as the funds had not yet been used for any operations. The Association has also admitted the Crete Park District as a full member and will begin receiving pro-rated tax-levy dollars from the district during FY23.

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, 2022

See Following Page

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Statement of Net Position

May 31, 2022

		Component Unit
		Lincolnway Special Recreation Foundation
	Governmental Activities	
ASSETS		
Current Assets		
Cash and Investments	\$ 467,607	32,363
Receivables - Net	—	3,856
Total Current Assets	<u>467,607</u>	<u>36,219</u>
Noncurrent Assets		
Capital Assets		
Nondepreciable	8,675	—
Depreciable	5,134,237	—
Accumulated Depreciation	<u>(1,132,046)</u>	<u>—</u>
Total Capital Assets	4,010,866	—
Other Assets		
Net Pension Asset - IMRF	<u>208,651</u>	<u>—</u>
Total Noncurrent Assets	<u>4,219,517</u>	<u>—</u>
Total Assets	<u>4,687,124</u>	<u>36,219</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Items - IMRF	<u>59,904</u>	<u>—</u>
Total Assets and Deferred Outflows of Resources	<u>4,747,028</u>	<u>36,219</u>

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

	Governmental Activities	Component Unit Lincolnway Special Recreation Foundation
LIABILITIES		
Current Liabilities		
Accounts Payable	19,763	—
Accrued Payroll	31,175	—
Accrued Interest Payable	225	—
Unearned Revenue	108,486	—
Current Portion of Long-Term Debt	95,614	—
Total Current Liabilities	<u>255,263</u>	—
Noncurrent Liabilities		
Compensated Absences	22,457	—
Total Liabilities	<u>277,720</u>	—
DEFERRED INFLOWS OF RESOURCES		
Deferred Items - IMRF	246,141	—
Total Liabilities and Deferred Inflows of Resources	<u>523,861</u>	—
NET POSITION		
Net Investment in Capital Assets	3,920,866	—
Unrestricted	302,301	36,219
Total Net Position	<u>4,223,167</u>	<u>36,219</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, 2022



	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
Special Recreation	\$ 1,595,730	541,252	339,121	—
Interest on Long-Term Debt	5,037	—	—	—
Total Governmental Activities	1,600,767	541,252	339,121	—
Component Unit				
Lincolway Special Recreation Foundation	100,163	74,320	35,215	—

General Revenues
 Member Contributions
 Interest Income
 Other

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues	
Primary Government Governmental Activities	Component Unit Lincolnway Special Recreation Foundation
(715,357)	—
(5,037)	—
(720,394)	—
—	9,372
1,018,189	—
140	—
32,732	—
1,051,061	—
330,667	9,372
3,892,500	26,847
4,223,167	36,219

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

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Balance Sheet - Governmental Fund

May 31, 2022

	<u>General</u>
ASSETS	
Cash and Investments	\$ <u>467,607</u>
LIABILITIES	
Accounts Payable	19,763
Accrued Payroll	31,175
Unearned Revenues	<u>108,486</u>
Total Liabilities	159,424
FUND BALANCES	
Unassigned	<u>308,183</u>
Total Liabilities and Fund Balances	<u><u>467,607</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, 2022**

Total Governmental Fund Balances	\$ 308,183
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.	4,010,866
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	208,651
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(186,237)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable	(28,071)
Debt Certificates Payable	(90,000)
Accrued Interest Payable	(225)
Net Position of Governmental Activities	<u>4,223,167</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, 2022

	<u>General</u>
Revenues	
Intergovernmental	\$ 86,439
Member District Contribution Revenues	1,018,189
Charges for Services	541,252
Interest Income	140
Other	32,732
Total Revenues	<u>1,678,752</u>
Expenditures	
Special Recreation	
Salaries	837,107
Employee Benefits	217,595
General and Administrative	432,208
Capital Outlay	26,416
Debt Service	
Principal Retirement	85,000
Interest and Fiscal Charges	5,250
Total Expenditures	<u>1,603,576</u>
Net Change in Fund Balances	75,176
Fund Balances - Beginning	<u>233,007</u>
Fund Balances - Ending	<u><u>308,183</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, 2022**

Net Change in Fund Balances - Total Governmental Funds	\$ 75,176
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.	
Depreciation Expense	(136,355)
An addition to a net pension asset is not considered to be an increase in a financial asset in the governmental funds	
Change in Net Pension Asset	99,427
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(41,892)
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	(3,584)
Retirement of Debt	337,682
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.	
	<u>213</u>
Changes in Net Position of Governmental Activities	<u><u>330,667</u></u>

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

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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, 2022

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, 2022

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, 2022

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.

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. All of the Association’s investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$10,000, 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	45 Years
Vehicles	7 Years
Improvements	10 - 30 Years
Office Equipment	5 - 20 Years

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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 a consumption/acquisition of net assets 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, 2022

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.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
General	\$ 318,827

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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 \$401,715 and the bank balances totaled \$420,883. Additionally, at year-end, the Association has \$65,892 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, 2022, the Association's investments in the Illinois Funds was not subject to custodial credit risk. At year-end \$167,610 of the bank balance of the deposits was not covered by federal depository or equivalent insurance.

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, 2022

NOTE 3 - DETAIL NOTES ON THE ASSOCIATION - Continued

CAPITAL ASSETS

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Construction in Progress	\$ 8,675	—	—	8,675
Depreciable Capital Assets				
Buildings	4,325,053	—	—	4,325,053
Vehicles	508,065	—	—	508,065
Improvements	221,236	—	—	221,236
Office Equipment	79,883	—	—	79,883
	<u>5,134,237</u>	<u>—</u>	<u>—</u>	<u>5,134,237</u>
Less Accumulated Depreciation				
Buildings	574,482	86,777	—	661,259
Vehicles	327,567	28,704	—	356,271
Improvements	53,506	14,749	—	68,255
Office Equipment	40,136	6,125	—	46,261
	<u>995,691</u>	<u>136,355</u>	<u>—</u>	<u>1,132,046</u>
Total Net Depreciable Capital Assets	<u>4,138,546</u>	<u>(136,355)</u>	<u>—</u>	<u>4,002,191</u>
Total Net Capital Assets	<u>4,147,221</u>	<u>(136,355)</u>	<u>—</u>	<u>4,010,866</u>

Depreciation expense of \$136,355 was charged to the special recreation function.

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.	\$ 175,000	—	85,000	90,000

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

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	—

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
Governmental Activities					
Compensated Absences	\$ 24,487	7,168	3,584	28,071	5,614
Debt Certificates	175,000	—	85,000	90,000	90,000
Notes Payable	252,682	—	252,682	—	—
	<u>452,169</u>	<u>7,168</u>	<u>341,266</u>	<u>118,071</u>	<u>95,614</u>

The Association has applied for forgiveness of their Paycheck Protection Program loan with the United States Small Business Association. This loan has been forgiven 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
2023	\$ 90,000	2,700

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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.

Minimum Fund Balance Policy. The Association's policy manual states that the General Fund should maintain a minimum fund balance equal to 15% to 25% of budgeted operating expenditures.

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

Fund Balances	
Unassigned	<u>\$ 308,183</u>

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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, 2022:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	4,010,866
Less Capital Related Debt:		
Debt Certificates of 2013A		<u>(90,000)</u>
Net Investment in Capital Assets		<u><u>3,920,866</u></u>

MEMBER CONTRIBUTIONS

Contributions received from members during the 2022 fiscal year were:

	<u>Members</u>	<u>Contributions</u>
New Lenox Park District	\$	323,217
Mokena Park District		242,855
Frankfort Park District		186,856
Peotone Park District		20,938
Manhattan Park District		78,863
Wilmington Island Park District		32,552
Frankfort Square Park District		<u>132,908</u>
		<u><u>1,018,189</u></u>

NET POSITION RESTATEMENT

Beginning net position was restated due to the implementation of new capital asset thresholds. The following is a summary of the net position as originally reported and as restated:

<u>Net Position</u>	<u>As Reported</u>	<u>As Restated</u>	<u>(Decrease)</u>
Governmental Activities	\$ 3,944,630	3,892,500	(52,130)

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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, 2022 to January 1, 2023:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
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
WORKERS COMPENSATION			
Employers Liability	N/A	\$500,000	Statutory
		\$500,000	\$3,500,000 Employers Liability
LIABILITY			
General	None	\$500,000	\$21,500,000/Occurrence
Auto Liability	None	\$500,000	\$21,500,000/Occurrence
Employment Practices	None	\$500,000	\$21,500,000/Occurrence
Public Officials' Liability	None	\$500,000	\$21,500,000/Occurrence
Law Enforcement Liability	None	\$500,000	\$21,500,000/Occurrence
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/Occurrence
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, 2022

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
POLLUTION LIABILITY			
Liability - Third Party	None	\$25,000	\$5,000,000/Occurrence
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 Year Aggregate
OUTBREAK EXPENSE			\$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
INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA			
LIABILITY COVERAGE			
Breach Response	\$1,000	\$50,000	\$500,000/Occurrence/Annual Aggregate - \$1,000,000 is Beazley vendors used
Business Interruption	8 Hours	\$50,000	\$750,000/Occurrence/Annual Aggregate
Business Interruption due to			
System Failure	8 Hours	\$50,000	\$500,000/Occurrence/Annual Aggregate
Dependent Business Loss	8 Hours	\$50,000	\$750,000/Occurrence/Annual Aggregate
Liability	\$1,000	\$50,000	\$2,000,000/Occurrence/Annual Aggregate
eCrime	\$1,000	\$50,000	\$75,000/Occurrence/Annual Aggregate
Criminal Reward	\$1,000	\$50,000	\$25,000/Occurrence/Annual Aggregate
DEADLY WEAPON RESPONSE			
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
VOLUNTEER MEDICAL ACCIDENT			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense Excess of any other
			Collectible Insurance
UNDERGROUND STORAGE TANK LIABILITY			
Underground Storage Tank Liability	None	N/A	\$10,000, Follows Illinois Leaking
			Underground Tank Fund
UNEMPLOYMENT COMPENSATION			
Unemployment Compensation	N/A	N/A	Statutory

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

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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, 2021 and the statement of revenues and expenses for the period ending December 31, 2021. The District's portion of the overall equity of the pool is 0.038% or \$21,925.

Assets	\$ 77,156,496
Deferred Outflows of Resources - Pension	871,829
Liabilities	19,465,811
Deferred Inflows of Resources - Pension	1,466,716
Total Net Position	57,095,798
Operating Revenues	17,390,850
Nonoperating Revenues	2,635,445
Expenditures	19,688,616

Since 96.36% 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, 2022

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 \$300,000. 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, 2021 and the statement of revenues and expenses for the period ending December 31, 2021.

Assets	\$ 30,099,639
Deferred Outflows of Resources - Pension	373,641
Liabilities	4,502,442
Deferred Inflows of Resources - Pension	628,592
Total Net Position	25,342,246
Operating Revenues	32,172,095
Nonoperating Revenues	58,241
Expenditures	31,205,267

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, 2022

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. 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, 2022

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, 2021, 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	41
Active Plan Members	<u>13</u>
Total	<u><u>56</u></u>

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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 4.50% 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, 2022, the Association's contribution was 5.71% of covered payroll.

Net Pension (Asset). The Association's net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (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, 2021, 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	3.25%
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, 2022

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	25.00%	(0.60%)
Domestic Equities	39.00%	1.90%
International Equities	15.00%	3.15%
Real Estate	10.00%	3.30%
Blended	10.00%	1.70% - 5.50%
Cash and Cash Equivalents	1.00%	(0.90%)

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, 2022

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 (asset) to changes in the discount rate. The table below presents the net pension (asset) of the Association calculated using the discount rate as well as what the Association's net pension (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 (Asset)	\$ (16,689)	(208,651)	(349,153)

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2020	\$ 1,044,628	1,153,852	(109,224)
Changes for the Year:			
Service Cost	48,110	—	48,110
Interest on the Total Pension Liability	75,967	—	75,967
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	17,743	—	17,743
Changes of Assumptions	—	—	—
Contributions - Employer	—	38,374	(38,374)
Contributions - Employees	—	25,395	(25,395)
Net Investment Income	—	185,400	(185,400)
Benefit Payments, Including Refunds of Employee Contributions	(41,726)	(41,726)	—
Other (Net Transfer)	—	(7,922)	7,922
Net Changes	100,094	199,521	(99,427)
Balances at December 31, 2021	1,144,722	1,353,373	(208,651)

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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, 2022, the Association recognized pension revenue of \$22,505. At May 31, 2022, 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	\$ 34,493	(81,598)	(47,105)
Change in Assumptions	13,587	(31,872)	(18,285)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	—	(132,671)	(132,671)
Total Expenses to be Recognized in Future Periods	48,080	(246,141)	(198,061)
Pension Contributions Made Subsequent to the Measurement Date	11,824	—	11,824
Total Deferred Amounts Related to IMRF	<u>59,904</u>	<u>(246,141)</u>	<u>(186,237)</u>

\$11,824 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, 2023. 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
2023	\$ (41,375)
2024	(66,425)
2025	(55,861)
2026	(34,400)
2027	—
Thereafter	—
Total	<u>(198,061)</u>

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

May 31, 2022

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. Based upon a review of census data and plan provisions, as well as minimal utilization rates, it has been determined that any liability is immaterial to the financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Additionally, the Association provides no explicit benefit. Therefore, the Association has not recorded a liability as of May 31, 2022.

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, 2022**

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%
2022	35,030	35,030	—	613,081	5.71%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 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, 2022

	<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.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014 and 2017.

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/30/2019	12/31/2020	12/31/2021
48,903	49,646	52,755	56,218	71,419	74,213	48,110
46,688	51,157	58,122	67,472	72,363	76,729	75,967
(12,863)	18,615	88,927	(34,754)	(46,917)	(73,124)	17,743
—	—	(41,519)	40,103	—	(34,710)	—
(21,813)	(25,203)	(31,022)	(39,663)	(36,652)	(39,421)	(41,726)
60,915	94,215	127,263	89,376	60,213	3,687	100,094
608,959	669,874	764,089	891,352	980,728	1,040,941	1,044,628
669,874	764,089	891,352	980,728	1,040,941	1,044,628	1,144,722
43,771	52,446	51,079	54,912	65,476	47,746	38,374
23,145	24,635	27,396	29,072	35,542	28,049	25,395
2,581	37,960	106,893	(35,288)	141,882	135,574	185,400
(21,813)	(25,203)	(31,022)	(39,663)	(36,652)	(39,421)	(41,726)
2,984	(1,234)	(13,696)	8,404	(9,614)	(5,645)	(7,922)
50,668	88,604	140,650	17,437	196,634	166,303	199,521
493,556	544,224	632,828	773,478	790,915	987,549	1,153,852
544,224	632,828	773,478	790,915	987,549	1,153,852	1,353,373
125,650	131,261	117,874	189,813	53,392	(109,224)	(208,651)
81.24%	82.82%	86.78%	80.65%	94.87%	110.46%	118.23%
514,345	547,455	608,791	643,769	789,810	623,309	564,325
24.43%	23.98%	19.36%	29.48%	6.76%	(17.52%)	(36.97%)

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, 2022

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 167,659	167,659	86,439
Member District Contributions	916,322	916,322	1,018,189
Charges for Services	492,324	492,324	541,252
Interest Income	69	69	140
Other	39,831	39,831	32,732
Total Revenues	<u>1,616,205</u>	<u>1,616,205</u>	<u>1,678,752</u>
Expenditures			
Special Recreation			
Salaries	586,995	586,995	837,107
Employee Benefits	248,657	248,657	217,595
General and Administrative	334,160	334,160	432,208
Capital Outlay	24,687	24,687	26,416
Debt Service			
Principal Retirement	85,000	85,000	85,000
Interest and Fiscal Charges	5,250	5,250	5,250
Total Expenditures	<u>1,284,749</u>	<u>1,284,749</u>	<u>1,603,576</u>
Net Change in Fund Balance	<u>331,456</u>	<u>331,456</u>	75,176
Fund Balance - Beginning			<u>233,007</u>
Fund Balance - Ending			<u><u>308,183</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, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Intergovernmental			
Grants	\$ 104,500	104,500	13,782
Donations	63,159	63,159	72,657
	<u>167,659</u>	<u>167,659</u>	<u>86,439</u>
Member District Contributions			
New Lenox Park District	314,280	314,280	323,217
Mokena Park District	193,160	193,160	242,855
Frankfort Park District	147,164	147,164	186,856
Peotone Park District	20,577	20,577	20,938
Manhattan Park District	78,863	78,863	78,863
Wilmington Island Park District	41,642	41,642	32,552
Frankfort Square Park District	120,636	120,636	132,908
	<u>916,322</u>	<u>916,322</u>	<u>1,018,189</u>
Charges for Services			
Transportation and Door-to-Door	46,444	46,444	15,000
Concessions and Vending Machine	—	—	728
Rentals	1,000	1,000	5,999
Special	35,258	35,258	35,215
Titans	222,894	222,894	220,642
Youth	47,964	47,964	48,747
After School	11,055	11,055	15,020
Summer Camp	48,449	48,449	82,233
Virtual	8,856	8,856	6,314
Olympics	51,578	51,578	62,447
Special Events	3,460	3,460	34,629
Teen and Adult	15,366	15,366	14,278
	<u>492,324</u>	<u>492,324</u>	<u>541,252</u>
Interest	<u>69</u>	<u>69</u>	<u>140</u>
Other			
Marketing and Outreach	34,626	34,626	29,627
Miscellaneous	5,205	5,205	3,105
	<u>39,831</u>	<u>39,831</u>	<u>32,732</u>
Total Revenues	<u>1,616,205</u>	<u>1,616,205</u>	<u>1,678,752</u>

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended May 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Special Recreation			
Salaries			
Executive Director	\$ 110,724	110,724	109,972
Administrative Staff	424,627	424,627	427,943
Superintendent of Recreation	50,000	50,000	67,163
Marketing and Outreach	1,644	1,644	505
Special Olympics	—	—	13,991
Adapted Sports	—	—	6,405
Titans	—	—	90,321
Youth	—	—	25,953
After School	—	—	14,830
Summer Camp	—	—	48,662
Inclusion	—	—	17,504
Special Events	—	—	7,853
Teen and Adult	—	—	6,005
	<u>586,995</u>	<u>586,995</u>	<u>837,107</u>
Employee Benefits			
FICA	61,043	61,043	56,766
IMRF	37,745	37,745	35,030
Insurance	149,869	149,869	125,799
	<u>248,657</u>	<u>248,657</u>	<u>217,595</u>
General and Administrative			
Safety and Training	6,500	6,500	14,415
Seminars, Conferences, and Dues	15,000	15,000	17,316
Mileage Reimbursement	500	500	445
Audit	13,000	13,000	6,755
Legal	20,000	20,000	17,439
Printing	1,833	1,833	1,885
Postage	245	245	222
Telephone	11,445	11,445	12,288

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended May 31, 2022

	Budgeted Amounts		Actual Amounts
	Original	Final	
Special Recreation - Continued			
General and Administrative - Continued			
IT Service	\$ 5,345	5,345	4,563
Advertising	—	—	89
Accounting Service	28,024	28,024	23,943
Professional Fees	25,000	25,000	8,285
Gifts	180	180	120
Vehicle Maintenance	54,604	54,604	53,949
Utilities	22,842	22,842	26,922
Concessions and Vending Machine	—	—	595
Service Fee	23,718	23,718	22,724
Student Scholarships	500	500	500
Special Events - Staff	2,500	2,500	1,873
Staff and Volunteer Apparel	3,000	3,000	3,419
Marketing and Outreach	21,852	21,852	18,752
General Program Supplies	23,900	23,900	137,082
Office Supplies	20,438	20,438	21,839
Maintenance	33,734	33,734	36,788
	<u>334,160</u>	<u>334,160</u>	<u>432,208</u>
Total Special Recreation	<u>1,169,812</u>	<u>1,169,812</u>	<u>1,486,910</u>
Capital Outlay	<u>24,687</u>	<u>24,687</u>	<u>26,416</u>
Debt Service			
Principal Retirement	85,000	85,000	85,000
Interest and Fiscal Charges	5,250	5,250	5,250
	<u>90,250</u>	<u>90,250</u>	<u>90,250</u>
Total Expenditures	<u>1,284,749</u>	<u>1,284,749</u>	<u>1,603,576</u>

SUPPLEMENTAL SCHEDULE

LINCOLNWAY SPECIAL RECREATION ASSOCIATION, ILLINOIS

General Obligation Debt Certificates of 2013A

May 31, 2022

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
2023	\$ 90,000	2,700	92,700