

NORTHWEST SPECIAL RECREATION  
ASSOCIATION, ILLINOIS

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ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2021

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

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## **INDEPENDENT AUDITOR'S REPORT**

May 10, 2022

Members of the Board of Directors  
Northwest Special Recreation Association  
Rolling Meadows, Illinois

### **Opinions**

We have audited the accompanying financial statements and the discretely presented component unit of the Northwest Special Recreation Association, Illinois, as of and for the year ended December 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the financial statements and the discretely presented component unit of the Northwest Special Recreation Association, Illinois, as of December 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.

### **Basis for Opinions**

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

### **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 the management's discussion and analysis and budgetary comparison information, 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 Northwest Special Recreation Association, Illinois' basic financial statements. The other supplementary information 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 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**

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Management's Discussion and Analysis December 31, 2021

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

### FINANCIAL HIGHLIGHTS

- The Association's net position increased as a result of this year's operations by \$1,127,497 or 19.7 percent.
- During the year, government-wide revenues totaled \$5,061,244, while expenses totaled \$3,933,747, resulting in the increase to net position of \$1,127,497.
- The Association's net position totaled \$6,862,583 at December 31, 2021, which included \$5,283,204 unrestricted net position that may be used to meet the ongoing obligations to participants and creditors.
- At the fund level, a surplus was reported this year of \$456,840, resulting in ending fund balance of \$6,021,425, an increase of 8.2 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. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Association's operations in more detail than the government-wide statements.

#### Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Association's finances, in a matter similar to a private-sector business.

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

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Management's Discussion and Analysis December 31, 2021

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### USING THIS ANNUAL REPORT – Continued

#### Government-Wide Financial Statements – Continued

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

#### Fund Financial Statements

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

#### Governmental Funds

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

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

#### 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.



# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Management's Discussion and Analysis December 31, 2021

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### USING THIS ANNUAL REPORT – Continued

#### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Association's I.M.R.F. employee pension obligations, retiree benefit plan, and budgetary comparison schedule for the General Fund.

#### 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 \$6,862,583.

	Net Position	
	2021	2020
Current Assets	\$ 6,628,739	5,847,511
Capital Assets	1,579,379	1,511,074
Total Assets	8,208,118	7,358,585
Deferred Outflows	425,680	434,705
Total Assets/ Deferred Outflows	8,633,798	7,793,290
Long-Term Debt	344,283	979,505
Other Liabilities	210,498	295,709
Total Liabilities	554,781	1,275,214
Deferred Inflows	1,216,434	782,990
Total Liabilities/ Deferred Inflows	1,771,215	2,058,204
Net Position		
Net Investment in Capital Assets	1,579,379	1,511,074
Unrestricted	5,283,204	4,224,012
Total Net Position	6,862,583	5,735,086

A portion of the Association's net position, \$1,579,379 or 23.0 percent, reflects its investment in capital assets (for example, construction in progress, building, building improvements, parking lot, furniture and equipment, and vehicles). The Association uses these capital assets to provide services to program participants; consequently, these assets are not available for future spending.

The remaining 77.0 percent, or \$5,283,204, represents unrestricted net position and may be used to meet the Association's ongoing obligations to program participants and creditors.

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Management's Discussion and Analysis December 31, 2021

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position	
	2021	2020
Revenues		
Program Revenues		
Charges for Services	\$ 442,650	433,363
Operating Grants/Contrib.	237,474	178,842
Capital Grants/Contrib.	60,247	33,065
General Revenues		
Member Contributions	4,320,308	4,320,307
Interest Income	565	50,493
Total Revenues	<u>5,061,244</u>	<u>5,016,070</u>
Expenses		
Special Recreation	<u>3,933,747</u>	<u>4,627,271</u>
Change in Net Position	1,127,497	388,799
Net Position - Beginning	<u>5,735,086</u>	<u>5,346,287</u>
Net Position - Ending	<u><u>6,862,583</u></u>	<u><u>5,735,086</u></u>

Net position of the Association increased by 19.7 percent (\$5,735,086 in 2020 compared to \$6,862,583 in 2021). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$5,283,204 at December 31, 2021.

Revenues for 2021 totaled \$5,016,244, while the cost of all programs totaled \$3,933,747. This results in a surplus of \$1,127,497. In 2020, revenues of \$5,016,070 exceeded expenses of \$4,627,271, resulting in a surplus of \$388,799. The Association reported increases in charges for services, operating and capital contribution, and a slight increase in member contributions. Interest income for the year was significantly lower from last year by \$49,928. Expenses for the 2021 fiscal year decreased \$693,524, due to lower expenses related to the COVID-19 pandemic and the State-wide shutdown of programs and events.

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

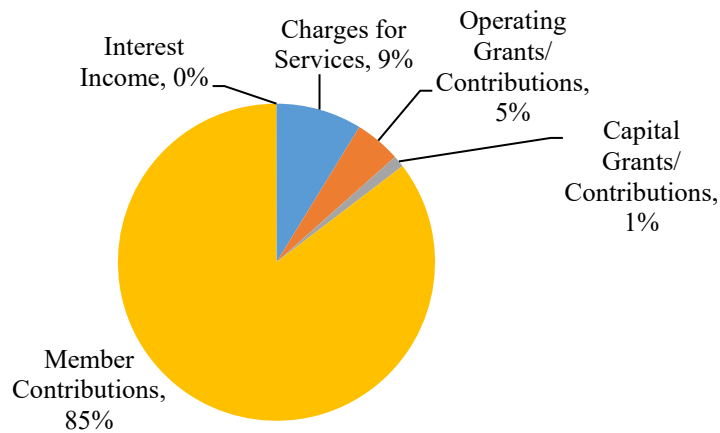
## Management's Discussion and Analysis December 31, 2021

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

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

**Revenues by Source - Governmental Activities**



### FINANCIAL ANALYSIS OF THE ASSOCIATION'S OPERATING FUND

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

The Association's operating fund reported ending fund balance of \$6,021,425 which is \$456,840, or 8.2 percent, higher than last year's total of \$5,564,585. Of the \$6,021,425 total, \$1,336,401, or approximately 22.2 percent, of the fund balance constitutes unassigned fund balance.

The Association reported a positive change in fund balance for the year due to revenues coming in higher than expenditures in the current year. Administration and program expenditures came in higher than budgeted. All other expenditures came in lower than budgeted. The Association was able to control costs during the year. These numbers are further outlined on the Schedule of Revenues, Expenditures and Changes in Fund Balance.

### BUDGETARY HIGHLIGHTS

The Association did not make budget amendments during the year. Actual revenues for the year totaled \$5,000,997, compared to budgeted revenues of \$5,015,545. Member contributions and program came in above budgeted amounts of \$1 and \$19,587, respectively. Grants and contribution, and interest income came in below budgeted amount of \$22,526 and \$11,610, respectively.

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Management’s Discussion and Analysis  
December 31, 2021**

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**BUDGETARY HIGHLIGHTS – Continued**

Actual expenditures for the year were \$475,229 lower than budgeted (\$4,545,614 actual compared to \$5,020,843 budgeted) due primarily to salary, liability/audit/IMRF, ADA compliance, and capital outlay costs being lower than anticipated.

**CAPITAL ASSETS**

The Association’s investment in capital assets as of December 31, 2021 was \$1,579,379 (net of accumulated depreciation). This investment in capital assets includes construction in progress, building, building improvements, parking lot, furniture and equipment, and vehicles.

	Capital Assets - Net of Depreciation	
	2021	2020
Construction in Progress	\$ 146,100	-
Building	624,558	644,678
Building Improvements	167,532	181,667
Parking Lot	19,577	23,163
Furniture and Equipment	391,043	435,829
Vehicles	230,569	225,737
Total	<u>1,579,379</u>	<u>1,511,074</u>

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

Construction in Progress	\$ 146,100
Furniture and Equipment	10,724
Vehicles	<u>60,247</u>
	<u>217,071</u>

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

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

In March 2021, 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.

**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 Office of the Executive Director, 3000 W Central Road, Rolling Meadows, IL 60008.

## **BASIC FINANCIAL STATEMENTS**

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Statement of Net Position  
December 31, 2021**

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**See Following Page**

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Statement of Net Position  
December 31, 2021**

	Governmental Activities	Component Unit Special Leisure Services Foundation
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 5,815,427	1,774,675
Receivables - Net of Allowances	392,206	28,456
Prepays	7,875	5,060
Total Current Assets	<u>6,215,508</u>	<u>1,808,191</u>
Noncurrent Assets		
Capital Assets		
Nondepreciable	146,100	-
Depreciable Capital Assets	3,408,157	-
Accumulated Depreciation	<u>(1,974,878)</u>	-
Total Capital Assets	1,579,379	-
Other Assets		
Net Pension Asset - IMRF	<u>413,231</u>	-
Total Noncurrent Assets	<u>1,992,610</u>	-
Total Assets	8,208,118	1,808,191
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	<u>425,680</u>	-
Total Assets and Deferred Outflows of Resources	<u>8,633,798</u>	<u>1,808,191</u>

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

	Governmental Activities	Component Unit Special Leisure Services Foundation
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	103,304	8,371
Accrued Payroll	67,263	-
Other Payables	23,516	-
Compensated Absences	16,415	-
Total Current Liabilities	<u>210,498</u>	<u>8,371</u>
Noncurrent Liabilities		
Compensated Absences	65,662	-
Total OPEB Liability - RBP	<u>278,621</u>	<u>-</u>
Total Noncurrent Liabilities	<u>344,283</u>	<u>-</u>
 Total Liabilities	 554,781	 8,371
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	<u>1,216,434</u>	<u>-</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>1,771,215</u>	 <u>8,371</u>
<b>NET POSITION</b>		
Investment in Capital Assets	1,579,379	-
Restricted - Foundation	-	161,754
Unrestricted	<u>5,283,204</u>	<u>1,638,066</u>
 Total Net Position	 <u>6,862,583</u>	 <u>1,799,820</u>

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



**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Statement of Activities**

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

	Program Revenues		
	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Expenses			
Governmental Activities			
Special Recreation	\$ 3,933,747	442,650	237,474
Component Unit			
Special Leisure Services Foundation	789,044	279,282	675,154

General Revenues  
 Member Contributions  
 Interest Income

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	Component Unit Special Leisure Services Foundation
(3,193,376)	-
-	165,392
4,320,308	-
565	143,785
4,320,873	143,785
1,127,497	309,177
5,735,086	1,490,643
6,862,583	1,799,820

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

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Balance Sheet - Governmental Fund  
December 31, 2021**

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<b>ASSETS</b>	
Cash and Investments	\$ 5,815,427
Receivables - Net of Allowances	
Accounts	390,826
Interest	1,380
Prepays	<u>7,875</u>
 Total Assets	 <u><u>6,215,508</u></u>
 <b>LIABILITIES</b>	
Accounts Payable	103,304
Accrued Payroll	67,263
Other Payables	<u>23,516</u>
Total Liabilities	<u>194,083</u>
 <b>FUND BALANCES</b>	
Nonspendable	7,875
Assigned	2,363,823
Committed	2,313,326
Unassigned	<u>1,336,401</u>
Total Fund Balances	<u>6,021,425</u>
 Total Liabilities and Fund Balances	 <u><u>6,215,508</u></u>

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

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

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

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<b>Total Governmental Fund Balances</b>	\$ 6,021,425
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.	1,579,379
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(790,754)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(82,077)
Net Pension Asset - IMRF	413,231
Total OPEB Liability - RBP	<u>(278,621)</u>
<b>Net Position of Governmental Activities</b>	<u><u>6,862,583</u></u>

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

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

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

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Revenues	
Member Contributions	\$ 4,320,308
Program	442,650
Grants and Contributions	237,474
Interest Income	565
Total Revenues	<u>5,000,997</u>
Expenditures	
Special Recreation	
Administration	869,817
Program	389,108
Salary	2,314,120
Liability/Audit/IMRF	508,280
ADA Compliance	245,416
Capital Outlay	218,873
Total Expenditures	<u>4,545,614</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	455,383
Other Financing Sources	
Disposal of Capital Assets	<u>1,457</u>
Net Change in Fund Balance	456,840
Fund Balance - Beginning	<u>5,564,585</u>
Fund Balance - Ending	<u><u>6,021,425</u></u>

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

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

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

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

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 456,840</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlay	156,824
Capital Contributions	60,247
Depreciation Expense	(148,766)
Disposals - Cost	(72,280)
Disposals - Accumulated Depreciation	72,280
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(442,469)
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	23,141
Change in Net Pension Liability - IMRF	951,803
Change in Total OPEB Liability - RBP	69,877
<b>Change in Net Position of Governmental Activities</b>	<b><u>1,127,497</u></b>

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

# **NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

## **Notes to the Financial Statements December 31, 2021**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **REPORTING ENTITY**

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

#### **Discretely Presented Component Unit**

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

Special Leisure Services Foundation.

The Special Leisure Services Foundation (the Foundation) is being reported as a discretely presented component unit of the Association as it is legally separate from the Association. Separate financial statements of the Association are available by contacting the Administrative Office of the Northwest Special Recreation Association, 3000 W Central Road, Rolling Meadows, IL 60008.

#### **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.

# **NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

## **Notes to the Financial Statements December 31, 2021**

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

#### **BASIS OF PRESENTATION – Continued**

##### **Government-Wide Statements – Continued**

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 and capital grants. Program revenues must be directly associated with the special recreation function. Operating grants/contributions include operating-specific grants. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost of the special recreation function is normally covered by the general revenues (member contributions, interest income and miscellaneous revenue).

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

##### **Fund Financial Statements**

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

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

##### **Measurement Focus**

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



# **NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

## **Notes to the Financial Statements December 31, 2021**

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

#### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued**

##### **Measurement Focus – Continued**

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

##### **Basis of Accounting**

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

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

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

##### **Cash and Investments**

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

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements  
December 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**

**Receivables**

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

**Prepays**

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

**Capital Assets**

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

Building	50 Years
Building Improvements	20 - 50 Years
Parking Lot	20 Years
Furniture and Equipment	5 - 20 Years
Vehicles	8 - 15 Years

**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.

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 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

##### Compensated Absences

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

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

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

##### Long-Term Obligations

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

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

##### 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.

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements  
December 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 – Continued**

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:

The Association Director submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

The budget is legally enacted by the Board of Trustees.

The budget may be amended by the Board of Trustees. One supplemental appropriation was made during the fiscal year.

**NOTE 3 – DETAIL NOTES ON THE ASSOCIATION**

**DEPOSITS AND INVESTMENTS**

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

## NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

### Notes to the Financial Statements December 31, 2021

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#### NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

##### DEPOSITS AND INVESTMENTS – Continued

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

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

At year-end, the carrying amount of the Association's deposits totaled \$5,796,244 and the bank balances totaled \$5875,907. Additionally, at year-end, the Association has \$19,183 invested in the Illinois Park District Liquid Asset Fund, which has an average maturity of less than one year.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Association's investment policy states that the investment portfolio shall maintain the necessary liquidity to enable the Association to meet all operating requirements and liabilities that may be reasonably anticipated. The Association invests its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Association and conforming to all state and local statutes governing the investment of public funds using the 'prudent person' standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The Association's investment policy requires pledging of collateral of all bank balances in excess of federal depository insurance with the collateral held by a third party in the Association's name. At December 31, 2021, the entire bank balance of the deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Association will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Association's investment policy does not address custodial credit risk for investments. At December 31, 2021, the Association's investment in the Illinois Park District Liquid Asset Fund was not subject to custodial credit risk.

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

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 31, 2021

### NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

#### DEPOSITS AND INVESTMENTS – Continued

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

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

#### CAPITAL ASSETS

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Construction in Progress	\$ -	146,100	-	146,100
Depreciable Capital Assets				
Building	1,006,000	-	-	1,006,000
Building Improvements	337,019	-	-	337,019
Parking Lot	71,730	-	-	71,730
Furniture and Equipment	733,692	10,724	-	744,416
Vehicles	1,261,025	60,247	72,280	1,248,992
	<u>3,409,466</u>	<u>70,971</u>	<u>72,280</u>	<u>3,408,157</u>
Less Accumulated Depreciation				
Building	361,322	20,120	-	381,442
Building Improvements	155,352	14,135	-	169,487
Parking Lot	48,567	3,586	-	52,153
Furniture and Equipment	297,863	55,510	-	353,373
Vehicles	1,035,288	55,415	72,280	1,018,423
	<u>1,898,392</u>	<u>148,766</u>	<u>72,280</u>	<u>1,974,878</u>
Total Net Deprecable Capital Assets	<u>1,511,074</u>	<u>(77,795)</u>	<u>-</u>	<u>1,433,279</u>
Total Net Capital Assets	<u>1,511,074</u>	<u>68,305</u>	<u>-</u>	<u>1,579,379</u>

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2021**

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

**CAPITAL ASSETS – Continued**

Depreciation expense of \$148,766 was charged to the special recreation function.

**LONG-TERM DEBT**

**Long-Term Liability Activity**

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 105,218	23,141	46,282	82,077	16,415
Net Pension Liability/(Asset) - IMRF	538,572	-	951,803	(413,231)	-
Total OPEB Liability - RBP	348,498	-	69,877	278,621	-
	992,288	23,141	1,067,962	(52,533)	16,415

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

**FUND BALANCE CLASSIFICATIONS**

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

Fund Balances	
Nonspendable	
Prepays	\$ 7,875
Assigned	2,363,823
Committed	2,313,326
Unassigned	<u>1,336,401</u>
Total Fund Balances	<u>6,021,425</u>

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 31, 2021

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### NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

#### FUND BALANCE CLASSIFICATIONS – Continued

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 assigned, then committed and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

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

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

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; 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 Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees 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 Trustees, who is authorized to assign amounts to a specific purpose.

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

*Minimum Fund Balance Policy.* The Association policy manual states that the assigned fund balance should represent 40% of annual expenses and committed fund balance should represent the amount needed to fund the approved Capital Improvement Plan (CIP) as well as, any approved transfers by the Board of Directors for future capital beyond the current CIP plan.



# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 31, 2021

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### NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

#### NET POSITION CLASSIFICATIONS

Investment in capital assets was comprised of the following as of December 31, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 1,579,379</u>

### NOTE 4 – OTHER INFORMATION

#### MEMBER CONTRIBUTIONS

Contributions received from members during the 2021 fiscal year were:

Members	Amounts
Arlington Heights Park District	\$ 571,988
Bartlett Park District	237,522
Buffalo Grove Park District	317,288
Elk Grove Park District	322,954
Hanover Park Park District	152,910
Hoffman Estates Park District	311,405
Inverness Park District	38,635
Mount Prospect Park District	360,825
Palatine Park District	480,992
Prospect Heights Park District	78,647
River Trails Park District	105,809
Rolling Meadows Park District	138,104
Salt Creek Rural Park District	38,944
Schaumburg Park District	672,676
South Barrington Park District	75,357
Streamwood Park District	180,707
Wheeling Park District	235,545
	<u>4,320,308</u>

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2021**

**NOTE 4 – OTHER INFORMATION – Continued**

**RISK MANAGEMENT**

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

The Association is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since June 1, 1985, the Association has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve Associations, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials’, employment practices liability and workers compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect for the period January 1, 2021 through January 1, 2022:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
<b>PROPERTY</b>			
Property/Bldg/Contents			
All Losses Per Occurrence	\$1,000	\$1,000,000	\$1,000,000,000/All Members
All Losses Annual Aggregate		\$3,000,000	
Flood/Except Zones A & V	\$1,000	\$1,000,000	\$250,000,000/Occurrence/Annual Aggregate
Flood, Zones A & V	\$1,000	\$1,000,000	\$200,000,000/Occurrence/Annual Aggregate
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/Occurrence/Annual Aggregate
Auto Physical Damage			
Comprehensive and Collision	\$1,000	\$1,000,000	Included
Course of Construction/Builders Risk	\$1,000	Included	\$25,000,000
Business Interruption, Rental			
Income, Tax Income Combined	\$1,000		\$100,000,000/Reported Values
			\$500,000/\$2,500,000/Non-Reported Values
Service Interruption	24 Hours	N/A	\$25,000,000
Boiler and Machinery			\$100,000,000 Equipment Breakdown
Property Damage	\$1,000	\$9,000	Property Damage - Included
Business Income	48 Hours	N/A	Included
Fidelity and Crime	\$1,000	\$24,000	\$2,000,000/Occurrence
Seasonal Employees	\$1,000	\$9,000	\$1,000,000/Occurrence
Blanket Bond	\$1,000	\$24,000	\$2,000,000/Occurrence
<b>WORKERS COMPENSATION</b>			
Workers Compensation	N/A	\$500,000	Statutory
Employers Liability		\$500,000	\$3,500,000 Employers Liability

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2021**

**NOTE 4 – OTHER INFORMATION – Continued**

**RISK MANAGEMENT – Continued**

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

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
<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: \$5M Aggregate All Members
<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>			
Outbreak Expense	24 Hours	N/A	\$5,000/\$25,000/Day All Locations \$1,000,000 Aggregate Policy Limit
Workplace Violence Suspension	24 Hours	N/A	\$15,000 per Day
Fungus Suspension	24 Hours	N/A	\$15,000 per Day
<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 Loan	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 Hourly Sublimit/\$50,000 Forensic Exp./\$150,000 Dependent Bus. Interruption
<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	\$25,000/person/\$500,000 Annual Aggregate
<b>VOLUNTEER MEDICAL ACCIDENT</b>			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense and AD&D 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

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 31, 2021

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### NOTE 4 – OTHER INFORMATION – Continued

#### RISK MANAGEMENT – Continued

##### Park Association Risk Management Agency (PDRMA) – Continued

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

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

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:

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 Pension	56,758,119
Operating Revenues	19,454,155
Nonoperating Revenues	4,109,196
Expenditures	16,158,333

The Association's portion of the overall equity in the pool is 0.545% or \$309,300.

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 Net Position is impacted annually as more recent loss information becomes available.

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 31, 2021

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### NOTE 4 – OTHER INFORMATION – Continued

#### RISK MANAGEMENT – Continued

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

On August 1, 1992, the Association became a member of the Park District Risk Management Agency (PDRMA) Health Program, a health benefits pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001 the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

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

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

The following represents a summary of PDRMA's Health Program balance sheet at December 31, 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 Pension	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.

## **NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

### **Notes to the Financial Statements December 31, 2021**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **CONTINGENT LIABILITIES**

###### **Litigation**

The Association is currently not involved in any lawsuits.

###### **Grants**

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

###### **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 Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](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.

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 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	23
Inactive Plan Members Entitled to but not yet Receiving Benefits	66
Active Plan Members	<u>37</u>
Total	<u>126</u>

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 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 4.50% 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 fiscal year-ended December 31, 2021 the Association's contribution was 10.76% of covered payroll.

*Net Pension (Asset).* The Association's net pension (asset) was measured as of December 31, 2020. 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, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% - 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.



**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements  
December 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**

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

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the 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:

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2021**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Discount Rate Sensitivity – Continued**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 1,064,168	(413,231)	(1,504,801)

**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	\$ 12,149,781	11,611,209	538,572
Changes for the Year:			
Service Cost	199,577	-	199,577
Interest on the Total Pension Liability	869,591	-	869,591
Difference Between Expected and Actual Experience of the Total Pension Liability	125,936	-	125,936
Change of Assumptions	(129,027)	-	(129,027)
Contributions - Employer	-	240,292	(240,292)
Contributions - Employees	-	95,019	(95,019)
Net Investment Income	-	1,613,027	(1,613,027)
Benefit Payments, including Refunds of Employee Contributions	(510,426)	(510,426)	-
Other (Net Transfer)	-	69,542	(69,542)
Net Changes	555,651	1,507,454	(951,803)
Balances at December 31, 2020	12,705,432	13,118,663	(413,231)

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2021**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

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

For the year ended December 31, 2021, the Association recognized pension revenue of \$282,035. At December 31, 2021, the Association reported deferred outflows of 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	\$ 100,137	(146,394)	(46,257)
Change in Assumptions	98,245	(117,991)	(19,746)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	-	(952,049)	(952,049)
Total Pension Expense to be			
Recognized in Future Periods	198,382	(1,216,434)	(1,018,052)
Pension Contributions Made Subsequent to the Measurement Date	227,298	-	227,298
Total Deferred Amounts Related to IMRF	<u>425,680</u>	<u>(1,216,434)</u>	<u>(790,754)</u>

\$227,298 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 December 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 (Inflow) of Resources
2022	\$ (297,803)
2023	(171,027)
2024	(394,213)
2025	(155,009)
2026	-
Thereafter	-
Totals	<u>(1,018,052)</u>

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 31, 2021

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS

##### General Information about the OPEB Plan

*Plan Description.* The Association’s defined benefit OPEB plan, Northwest Special Recreation Association’s Retiree Benefit Plan (RBP), provides OPEB for all permanent full-time general employees of the Association. RBP is a single-employer defined benefit OPEB plan administered by the Association. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Association Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* Northwest Special Recreation Association offers medical, dental, vision, and life insurance coverage to retirees. Retirees pay the full cost of the premium. Coverage ends at age 65 for disabled employees or once retirees are eligible for Medicare.

*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	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>36</u>
Total	<u><u>37</u></u>

##### Total OPEB Liability

The Association’s total OPEB liability was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

# NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS

## Notes to the Financial Statements December 31, 2021

### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

#### Total OPEB Liability – Continued

##### *Actuarial Assumptions and Other Inputs – Continued.*

Inflation	2.25%
Salary Increases	2.50%
Discount Rate	2.06%
Healthcare Cost Trend Rates	The initial trend rate is based on the 2021 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.
Retirees' Share of Benefit-Related Costs	Same as Healthcare Cost Trend Rates

The discount rate was based on the General Obligation Municipal Bond Rate as of December 30, 2021.

Mortality rates were based on the RP-2014 study, with Blue Collar adjustment. These rates are improved generationally using MP-2020 Improvement Rates

#### Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at December 31, 2020	\$ 348,498
Changes for the Year:	
Service Cost	6,132
Interest on the Total Pension Liability	7,077
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(53,718)
Benefit Payments	(29,368)
Net Changes	<u>(69,877)</u>
Balance at December 31, 2021	<u>278,621</u>

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2021**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.06%, while the prior valuation used 2.12%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$ 347,004	278,621	226,437

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability, calculated using a Healthcare Trend as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 223,109	278,621	350,488

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. For the year ended December 31, 2021, the Association recognized OPEB revenue of \$40,509.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- Schedule of Employer Contributions  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)  
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability  
Retiree Benefit Plan
- 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.

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Schedule of Employer Contributions**

**December 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	\$ 258,410	\$ 249,289	\$ (9,121)	\$ 1,921,715	12.97%
2016	256,819	258,410	1,591	1,947,331	13.27%
2017	270,802	256,819	(13,983)	1,923,745	13.35%
2018	251,781	270,802	19,021	2,005,934	13.50%
2019	198,553	251,781	53,228	2,077,397	12.12%
2020	240,292	198,553	(41,739)	2,132,686	9.31%
2021	227,298	227,298	-	2,111,528	10.76%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Payroll (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	5-Year Smoothed Market
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.



**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

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

**December 31, 2021**

	<u>12/31/14</u>
Total Pension Liability	
Service Cost	\$ 214,433
Interest	630,905
Differences Between Expected and Actual Experience	85,847
Change of Assumptions	234,615
Benefit Payments, Including Refunds of Member Contributions	(284,835)
Net Change in Total Pension Liability	<u>880,965</u>
Total Pension Liability - Beginning	<u>8,447,270</u>
Total Pension Liability - Ending	<u><u>9,328,235</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 249,289
Contributions - Members	86,890
Net Investment Income	497,239
Benefit Payments, Including Refunds of Member Contributions	(284,835)
Administrative Expense	44,863
Net Change in Plan Fiduciary Net Position	<u>593,446</u>
Plan Net Position - Beginning	<u>8,125,789</u>
Plan Net Position - Ending	<u><u>8,719,235</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 609,000</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.47%
Covered Payroll	\$ 1,921,715
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	31.69%

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 2021. Changes in assumptions related to the demographics were made in 2014 and 2017.

12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
200,686	189,383	197,294	185,937	202,871	199,577
695,179	750,145	783,706	807,875	848,245	869,591
168,795	(144,140)	20,944	14,511	(281,166)	125,936
-	-	(274,295)	344,596	-	(129,027)
(319,054)	(333,210)	(370,505)	(428,926)	(437,325)	(510,426)
745,606	462,178	357,144	923,993	332,625	555,651
9,328,235	10,073,841	10,536,019	10,893,163	11,817,156	12,149,781
10,073,841	10,536,019	10,893,163	11,817,156	12,149,781	12,705,432
258,410	256,819	270,802	251,781	198,553	240,292
87,630	86,569	90,267	93,483	95,971	95,019
43,664	610,206	1,575,401	(502,079)	1,861,228	1,613,027
(319,054)	(333,210)	(370,505)	(428,926)	(437,325)	(510,426)
(57,394)	31,587	(197,524)	142,201	(416,581)	69,542
13,256	651,971	1,368,441	(443,540)	1,301,846	1,507,454
8,719,235	8,732,491	9,384,462	10,752,903	10,309,363	11,611,209
8,732,491	9,384,462	10,752,903	10,309,363	11,611,209	13,118,663
1,341,350	1,151,557	140,260	1,507,793	538,572	(413,231)
86.68%	89.07%	98.71%	87.24%	95.57%	103.25%
1,947,331	1,923,745	2,005,934	2,077,397	2,132,686	2,111,528
68.88%	59.86%	6.99%	72.58%	25.25%	(19.57%)

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Retiree Benefit Plan**

**Required Supplementary Information  
Schedule of Changes in the Employer's Total OPEB Liability  
December 31, 2021**

	2018	2019	2020	2021
Total OPEB Liability				
Service Cost	\$ 9,801	9,478	10,840	6,132
Interest	16,997	17,669	13,289	7,077
Differences Between Expected and Actual Experience	-	-	(189,190)	-
Change of Assumptions or Other Inputs	(36,365)	80,208	56,014	(53,718)
Benefit Payments	(53,998)	(52,009)	(54,928)	(29,368)
Other Changes	-	-	-	-
Net Change in Total OPEB Liability	(63,565)	55,346	(163,975)	(69,877)
Total OPEB Liability - Beginning	520,692	457,127	512,473	348,498
Total OPEB Liability - Ending	457,127	512,473	348,498	278,621
Covered-Employee Payroll	\$ 2,056,493	2,107,905	2,160,603	2,214,618
Total OPEB Liability as a Percentage of Covered-Employee Payroll	22.23%	24.31%	16.13%	12.58%

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Changes of Assumptions.* Changes of assumptions related to the discount rate were made in 2018 to 2021.

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Member Contributions	\$ 4,320,307	4,320,307	4,320,308	1
Program	423,063	423,063	442,650	19,587
Grants and Contributions	260,000	260,000	237,474	(22,526)
Interest Income	12,175	12,175	565	(11,610)
Total Revenues	<u>5,015,545</u>	<u>5,015,545</u>	<u>5,000,997</u>	<u>(14,548)</u>
<b>Expenditures</b>				
Special Recreation				
Administration	866,025	866,025	869,817	(3,792)
Program	300,137	300,137	389,108	(88,971)
Salary	2,455,866	2,455,866	2,314,120	141,746
Liability/Audit/IMRF	604,136	604,136	508,280	95,856
ADA Compliance	502,276	502,276	245,416	256,860
Capital Outlay	292,403	292,403	218,873	73,530
Total Expenditures	<u>5,020,843</u>	<u>5,020,843</u>	<u>4,545,614</u>	<u>475,229</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,298)	(5,298)	455,383	460,681
<b>Other Financing Sources</b>				
Disposal of Capital Assets	500	500	1,457	957
Net Change in Fund Balance	<u>(4,798)</u>	<u>(4,798)</u>	456,840	<u>461,638</u>
Fund Balance - Beginning			<u>5,564,585</u>	
Fund Balance - Ending			<u>6,021,425</u>	

## **OTHER SUPPLEMENTARY INFORMATION**

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Special Recreation				
Administration				
Professional Fees	\$ 12,355	12,355	5,426	6,929
Office Supplies	3,790	3,790	11,245	(7,455)
Credit Card and Bank Fees	11,772	11,772	11,535	237
Postage	7,100	7,100	5,945	1,155
Telephone/Fax	21,257	21,257	21,040	217
Conferences/Education	30,914	30,914	31,483	(569)
Membership Dues	21,743	21,743	25,256	(3,513)
Health Insurance	427,965	427,965	364,520	63,445
Maintenance/Utilities	46,398	46,398	57,581	(11,183)
Rent	120,186	120,186	150,186	(30,000)
Computer Contracts	162,545	162,545	185,600	(23,055)
Total Administration	866,025	866,025	869,817	(3,792)
Program				
Program Rental - Municipal	30,674	30,674	13,708	16,966
Program Rental - Commercial	34,272	34,272	35,382	(1,110)
Program Development	9,673	9,673	3,006	6,667
Program Expendable Supplies	69,810	69,810	133,164	(63,354)
Mileage	8,000	8,000	7,343	657
Transportation - Maintenance	62,154	62,154	118,150	(55,996)
Transportation - Gasoline	42,711	42,711	36,761	5,950
Program Printing	15,150	15,150	18,896	(3,746)
Public Awareness	27,693	27,693	22,698	4,995
Total Program	300,137	300,137	389,108	(88,971)
Salary				
Participating - Full-Time	2,141,785	2,141,785	1,981,184	160,601
Participating - Part-Time	293,431	293,431	313,518	(20,087)
Payroll Processing	12,850	12,850	11,738	1,112
Car Allowance	7,800	7,800	7,680	120
Total Salary	2,455,866	2,455,866	2,314,120	141,746

**NORTHWEST SPECIAL RECREATION ASSOCIATION, ILLINOIS**

**Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended December 31, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Special Recreation - Continued				
Liability/Audit/IMRF				
Liability/PDRMA Insurance	\$ 124,807	124,807	72,627	52,180
Audit	6,625	6,625	9,050	(2,425)
FICA	215,422	215,422	203,449	11,973
IMRF	257,282	257,282	223,154	34,128
Total Liability/Audit/IMRF	604,136	604,136	508,280	95,856
ADA Compliance	502,276	502,276	245,416	256,860
Total Special Recreation	4,728,440	4,728,440	4,326,741	401,699
Capital Outlay	292,403	292,403	218,873	73,530
Total Expenditures	5,020,843	5,020,843	4,545,614	475,229