



We exist to provide outstanding opportunities through recreation for children and adults with disabilities.

**Northwest Special Recreation Association
Virtual Finance Committee Meeting
May 27, 2020**

10:00 a.m. Via Zoom

<https://us02web.zoom.us/j/89106578155>

Call in number: 1 (312) 626-6799

Meeting ID: 891 0657 8155

Agenda

1. Portfolio Status
2. Fund Balance Recommendations
 - a. Recommendations for start of FY
 - b. Recommendations for Annual Transfers

An extension of the local park districts serving

Arlington Heights • Bartlett • Buffalo Grove • Elk Grove • Hanover Park • Hoffman Estates • Inverness • Mount Prospect
Palatine • Prospect Heights • River Trails • Rolling Meadows • Salt Creek • Schaumburg • South Barrington • Streamwood • Wheeling

3000 West Central Road, Suite 205 • Rolling Meadows, IL 60008 • VOICE 847/392-2848 • FAX 392-2870 • TTY 392-2855 • www.nwsra.org



NWSRA Investment Update

May 27, 2020

PFM Asset
Management LLC

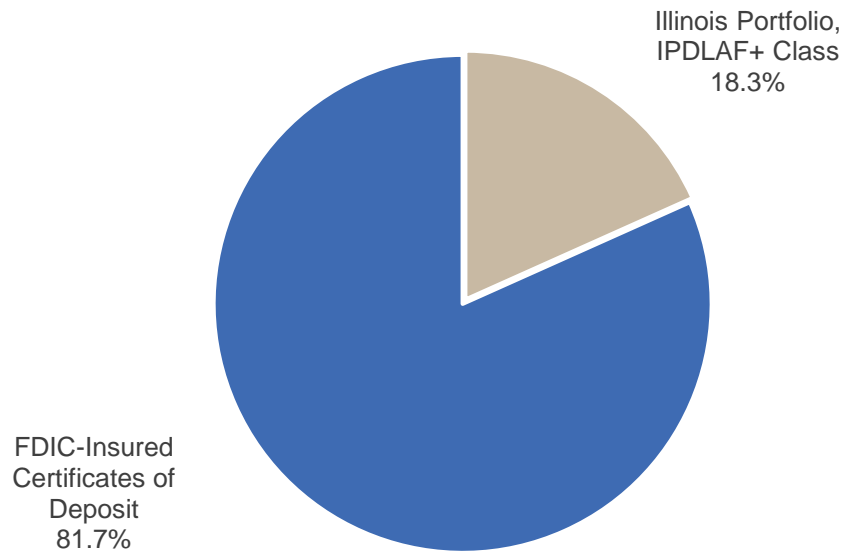
190 S LaSalle St
Suite 2000
Chicago, IL 60603

312-977-1570
pfm.com



NWSRA Investment Holdings as of April 30, 2020

Investment Type	Market Value	Yields as of 4/30/20	Yields as of 4/30/19
Illinois Portfolio, IPDLAF+ Class	\$334,727.36	0.77%	2.25%
FDIC-Insured Certificates of Deposit	\$1,494,000.00	1.01% - 3.10%	2.45% - 3.10%
Total	\$1,828,727.36		





NWSRA Investment Holdings as of April 30, 2020

Institution	Settlement Date	Maturity Date	Rate	Investment Amount	Value at Maturity
Mission National Bank, CA	12/18/2019	6/15/2020	1.80%	210,000	211,864
Mainstreet Bank, VA	7/12/2019	7/13/2020	2.40%	110,000	112,654
Bank Ozk, AR	11/26/2019	8/24/2020	1.87%	219,000	222,053
Prime Alliance Bank, UT	9/14/2018	9/14/2020	3.10%	200,000	212,417
Prospect Bank, IL	1/3/2020	9/29/2020	1.75%	100,000	101,295
East Boston Savings Bank, MA	1/15/2020	10/13/2020	1.75%	120,000	121,565
Financial Federal Savings Bank, TN	11/18/2019	11/17/2020	1.75%	100,000	101,750
First Internet Bank Of Indiana, IN	4/3/2020	12/29/2020	1.01%	135,000	136,009
Third Coast Bank Ssb, TX	6/11/2019	6/10/2021	2.65%	100,000	105,300
First Mid-Illinois Bank & Trust, N.A., IL	6/11/2019	6/10/2021	2.75%	200,000	211,000
Totals				\$1,494,000	\$1,535,907



COVID-19: A Three-Pronged Crisis



Health Crisis Pandemic

The rapidly spreading coronavirus is overwhelming healthcare facilities around the world as the number of cases and deaths related to the virus continue to grow.

**Closed Until
Further Notice**

Effects on the Economy

With businesses forced to close their doors and consumers stuck at home “social distancing”, the economy has come to a near standstill over a very short period of time.



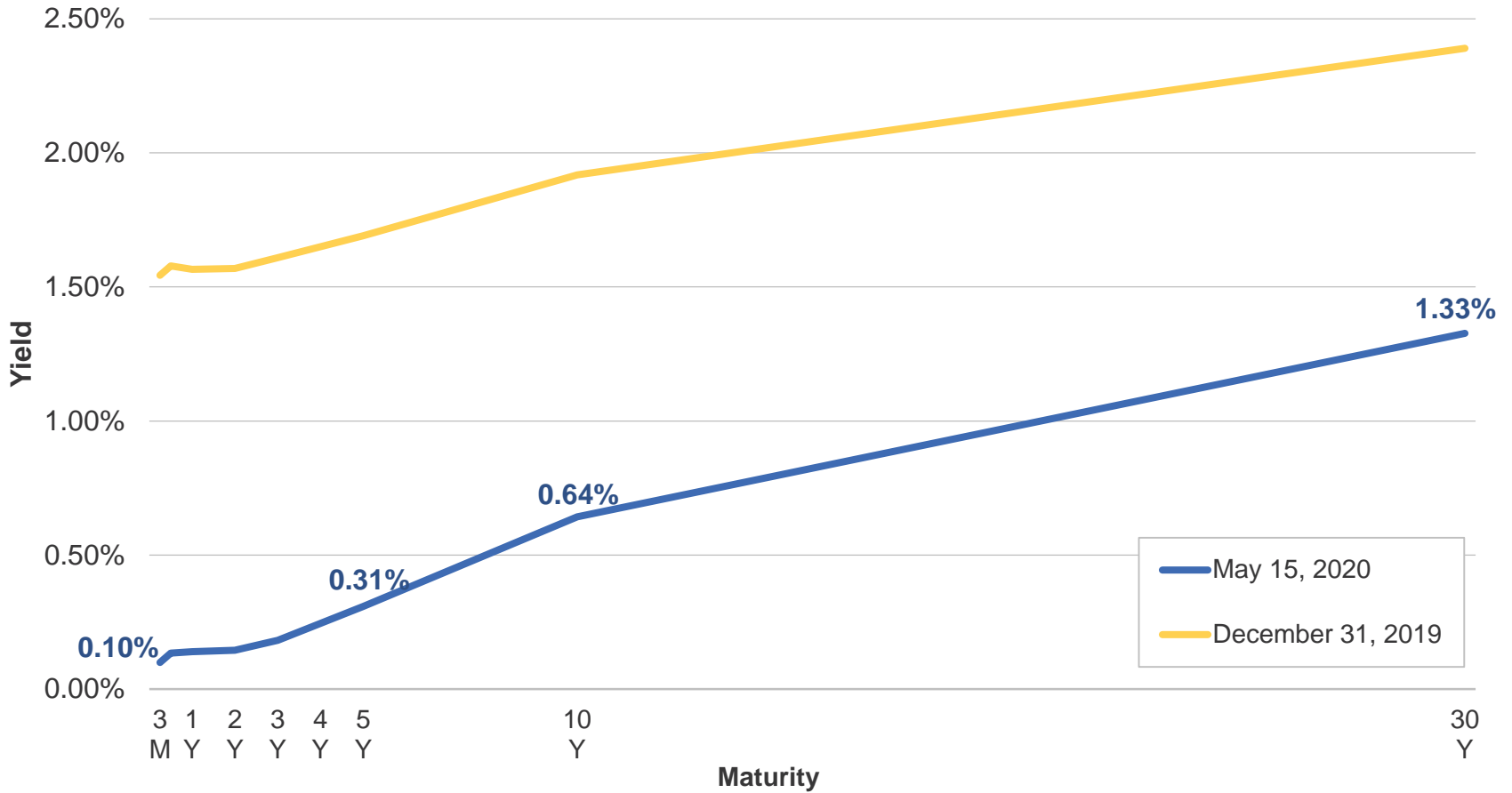
Effects on Financial Markets

Treasury yields and stock prices have plummeted while credit spreads have soared in reaction to the uncertainty surrounding the novel coronavirus.



Yield Curve Remains Sharply Lower

U.S. Treasury Yield Curve



Source: Bloomberg, as of 5/18/2020.



COVID-19 Weighs on FOMC's Economic Outlook

April

29

- The Federal Reserve is ***committed to using its full range of tools to support the U.S. economy*** in this challenging time.
 - The coronavirus outbreak is causing ***tremendous human and economic hardship*** across the United States and around the world. The virus and the ***measures taken to protect public health are inducing sharp declines in economic activity and a surge in job losses.***
 - ***The ongoing public health crisis will weigh heavily on economic activity***, employment, and inflation in the near term, and poses considerable risks to the economic outlook over the medium term.
-
- In light of these developments, the Committee decided to maintain the target range for the federal funds rate at 0 to 0.25%. ***The Committee expects to maintain this target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals.***
 - The Committee will continue to monitor the implications of incoming information for the economic outlook, including information related to public health, as well as global developments and muted inflation pressures, ***and will use its tools and act as appropriate to support the economy.***

Source: Federal Reserve, as of 4/29/20.



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Thank You



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To: NWSRA Board of Directors
From: Tracey Crawford, Executive Director
RE: 2020 NWSRA Fund Balances
Date: May 27, 2020

Enclosed you will find a summary of the NWSRA Fund Balance Policy and the year-end totals for NWSRA within each of the funds. NWSRA is able to meet the 2020 minimum fund balance requirements per the policy with its 2019-year end cash.

There is a 2019 net surplus of \$149,287.

Staff are recommending the following:

Motion to approve the 2020 Fund Balances as presented below:

Operating Fund	\$1,566,832.37
General Reserve Fund	\$1,556,780.01
Capital Reserve Fund	\$ 721,464.70

Motion to approve the following transfers in order to meet the recommended Fund Balances:

1. Transfer \$88,876.04 from Net Balance to Operating Fund
2. Transfer \$60,410.96 from Net Balance to General Reserve Fund
3. Transfer \$250,000 from PFM Investments to Capital Reserve Fund

To: NWSRA Board of Trustees

From: Tracey Crawford, Executive Director

RE: Approval of NWSRA Fund Balances and Fund Balance Transfers

Date: May 27, 2020

NWSRA was able to meet the 2020 minimum fund balance policy requirements with its audited 2019-year end cash balance of \$149,287. Following are summaries of the Fund Balance Policies:

- Operating Fund: Minimum 25% of current year Operating Expenses
- General Reserve Fund: Minimum 25% of current year Operating Expenses
- Capital Reserve Fund: Minimum balance based on future 3 year rolling average

Staff recommends the following:

Operating Fund Balance – 25%

- We were able to meet the operating fund balance with \$88,876.04 of the 2019-year end cash balance.

General Reserve Fund – 24.8%

- We were able to transfer \$60,410.96 of the 2019-year end cash balance.

Capital Reserve Fund – 3-year rolling average

- We were able to exceed the 3-year end rolling average due to the Wheeling Construction costs of \$250,000 currently in fund and
- The additional Buffalo Grove Construction costs of \$250,000 coming from NWSRA investments

Based on these recommendations, the chart below illustrates the necessary transfers.

	2019 Audited Balances	Balances after Recommended Transfers per Fund Balance Policy	Difference of Audit and Fund Balance Recommendation
Operating Fund	\$1,477,956.33	\$1,566,832.37	(\$88,876.04)
General Reserve Fund	\$1,496,369.14	\$1,556,780.01	(\$60,410.96)
Capital Reserve Fund	\$ 471,464.70	\$721,464.70	(\$250,000.00)
Total	\$3,445,790.17	3,552,824.66	(\$399,287.00)

There will be no remaining net surplus after fund balance transfers.

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Operating Fund	\$1,566,832.37
General Reserve Fund	\$1,556,780.01
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