

**Lincolnway Special Recreation Association
Annual Financial Report
For The Year Ended May 31, 2016**

**Lincolnway Special Recreation Association
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For The Year Ended May 31, 2016**

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Lincolnway Special Recreation Association
New Lenox, Illinois

Report on the Financial Statements

We have audited the accompanying basic financial statements of the business-type activities of the Lincolnway Special Recreation Association as of and for the year ended May 31, 2016, and the related notes to the financial statements, which collectively comprise the Association's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Lincolnway Special Recreation Association, as of May 31, 2016, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and certain pension disclosures be presented to supplement the basic financial statements. Such information, although not a required 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 regarding 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.

The major fund budgetary comparison schedule listed on the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This Required Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ending May 31, 2016 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Lincolnway Special Recreation Association's basic financial statements. The combining and individual fund financial schedules for the year ended May 31, 2016 listed in the table of contents are 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 financial statements. The combining and individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kuntze & Associates, P.C.

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2016**

The Lincolnway Special Recreation Association (the "Association") management's discussion and analysis is designed to: (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Association's financial activity, (3) identify changes in the Association's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget) and (5) identify individual fund issues or concerns.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Association's financial statements (beginning on page 9.)

Financial Highlights

The Association's financial status continues to be strong. The Association concluded the year with a positive balance of \$4,188,023. Overall, operating revenues this past year were \$1,354,053 and expenses were \$1,436,031 for a negative change in net position of \$81,978. Arrangements with partner Park Districts allow for solid cash flow, and the state legislature removed the special recreation tax from the tax caps allowing member districts to increase their levies which fund member agency contributions.

Total net assets decreased slightly from \$4,270,001 to \$4,188,023 over the course of the year.

Member Agency contributions assessed and collected were \$713,498 compared to the prior year of \$718,057 for a decrease of \$4,559.

Recreation program registrations increased over the past year from \$427,546 to \$574,780 resulting in an increase of \$147,234 from the prior year.

The Association continues to have the ability to devote resources toward improving and expanding its programs and facilities. In 2016, \$231,117 was spent on capital assets for the Association's outlay.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Association's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. The Association also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Association's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Association's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the statement of position presenting information that includes all of the Association's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Association as a whole is improving or deteriorating. Evaluation of the overall health of the Association would extend to other non-financial factors such as diversification of the partner base or the condition of the Association's infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the Association's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statements of activities is to show the financial reliance of the Association's distinct activities or functions on revenues provided by the Association's partner agencies.

Both government-wide financial statements distinguish governmental activities of the Association that are principally supported by taxes and intergovernmental revenues, such as grants, from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government and culture and recreation. Fiduciary activities such as employee pension plans are not included in the government-wide statements since these assets are not available to fund Association programs.

The government-wide financial statements are presented on pages 9-10 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Association uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Association's flow of financial resources rather than the Association as a whole.

Enterprise funds are reported in the fund financial statements and encompass essentially the same functions reported as business type activities in the government-wide financial statements.

Budgetary comparison statements are included in the basic financial statements for the general fund. These statements and schedules demonstrate compliance with the Association's adopted annual appropriated budget.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Association's progress in funding its obligation to provide pension benefits to its employees. Supplementary information can be found beginning on page 34 of this report.

Government-wide Financial Analysis

The Association implemented the new financial reporting model used in this report beginning with the fiscal year ended May 31, 2005.

The Association's combined net assets decreased from \$4,275,320 to \$4,186,023 as a result of operations and adjustments made in 2016. This is after \$161,960 in depreciation which is also reflected in a decrease in net capital assets.

**Lincolnway Special Recreation Association
Statement of Net Assets
May 31, 2016 and 2015**

	2016	2015	2014
Current and Other Assets	\$ 758,480	\$ 817,858	\$1,222,173
Capital Assets	4,294,932	4,249,133	3,907,177
Total Assets	<u>5,053,412</u>	<u>5,066,991</u>	<u>5,129,350</u>
Deferred Outflows	<u>123,808</u>	<u>-0-</u>	<u>-0-</u>
Current and Other Liabilities	303,332	221,992	1,554,206
Non-Current Liabilities	674,735	569,679	643,389
Total Liabilities	<u>978,067</u>	<u>791,671</u>	<u>2,197,595</u>
Deferred Inflows	<u>11,130</u>	<u>-0-</u>	<u>-0-</u>
Net Assets:			
Invested in Capital Assets	3,609,315	3,604,454	1,953,788
Restricted	100,000	100,000	100,000
Unrestricted	478,708	570,866	877,967
Total Net Assets	<u>\$4,188,023</u>	<u>\$4,275,320</u>	<u>\$ 2,931,755</u>

**Lincolnway Special Recreation Association
Changes in Net Assets
May 31, 2016 and 2015**

	2016	2015
Revenues		
Member District Contributions	\$ 713,498	\$ 718,057
Program Revenues	574,780	427,546
Grants and Donations	63,561	1,377,695
Interest Income	572	644
Gain on Sale of Capital Asset	1,642	-0-
Total Revenues	<u>1,354,053</u>	<u>2,523,942</u>
Expenses		
Operating	1,246,849	1,035,233
Interest Expense	16,975	32,110
Change in Net Pension Liability	10,247	-0-
Total Expenses	<u>1,274,071</u>	<u>1,067,343</u>
Operating Income	79,982	1,456,599
Depreciation	<u>161,960</u>	<u>113,034</u>
Change in Net Assets	<u>\$(81,978)</u>	<u>\$1,343,565</u>

Business – Type Activities

Business Type activities decreased the Association's net assets by \$79,311. Key elements of the entity-wide performance are as follows:

The total operating revenues decreased by \$1,171,531 in 2016 from \$2,523,942 in 2015 to \$1,352,411 in 2016.

The total operating expenditures decreased by \$1,353,138 in 2016 from \$2,832,408 in 2015 to \$1,479,270 in 2016. (Refer to the Statement of Revenues, Expenses and Changes in Fund Net Assets on page 12.)

Financial Analysis of the Association's Fund

Major Business Type Fund

Total fund net position of the Association's overall funds decreased by \$79,311 in 2016.

The Association designates internally designated funds for accounting and reporting purposes. These internal funds can be found as supplementary information on pages 39 - 51 of the financial statements. The change in net position was the following for the Association's internally designated funds in 2016: \$(16,568) for the General Fund, \$(18,612) for the Recreation Fund, \$(13,167) for the Debt Certificates Fund, \$0 for the Debt Service Reserve Fund, and \$(30,964) for the Capital Projects Fund.

General Fund Budgetary Highlights

During the 2016 Budget year, the Association did not revise the annual operating budget.

Operating revenues were \$1,352,411 which was \$62,613 over (favorable) budget. Operating expenses were \$1,479,270, which was \$228,416 over (unfavorable) budget. The net budget variance was an unfavorable \$26,155.

Capital Asset and Debt Administration

Capital Assets

The Association's investment in capital assets, net of accumulated depreciation for governmental activities as of May 31, 2016 and 2015 was \$4,294,932 and 4,249,133, respectively, as summarized below:

	2016	2015
Buildings, Net	\$4,047,018	\$4,131,038
Vehicles, Net	183,063	73,700
Furniture & Fixtures, Net	6,610	7,661
Improvements	27,506	-0-
Office Equipment, Net	30,735	36,734
Capital Assets, net	<u>\$ 4,294,932</u>	<u>\$ 4,249,133</u>

Debt Administration

As of May 31, 2016, the Association has \$570,969 of debt certificates, net of premiums and discounts, outstanding of which \$80,000 are due currently. These debt certificates were issued during the year ended May 31, 2013. Debt certificates of \$580,000, bond premiums of \$2,309, and bond discounts of \$(11,340) are outstanding as of May 31, 2016.

Factors Bearing on the Association's Future

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

Contacting the Association's

This financial report is designed to provide a general overview of the Association's finances, comply with finance related laws and regulations and demonstrate the Association's commitment to public accountability. If you have any questions about this report or would like to request additional information please contact Keith Wallace, Executive Director, Lincolnway Special Recreation Association, 1900 Heather Glen Drive, New Lenox, IL 60451.

Lincolnway Special Recreation Association
Statement of Net Position
May 31, 2016

	Business Type Activities
ASSETS	
Cash	\$ 756,072
Prepaid Expenses	2,408
Capital Assets	
Capital Assets, Net of Depreciation	4,294,932
Total Capital Assets	<u>4,294,932</u>
TOTAL ASSETS	<u>5,053,412</u>
DEFERRED OUTFLOWS	
IMRF Deferred Outflows	104,437
IMRF Plan Year Adjustments	19,371
TOTAL DEFERRED OUTFLOWS	<u>123,808</u>
LIABILITIES	
Due Within One Year	
Accounts Payable	31,087
Accrued Interest	1,300
Accrued Payroll	69,888
Unearned Revenue	45,172
Funds Held on Behalf of Others	19,353
Capital Lease Obligation	56,532
Debt Certificates Payable	80,000
Due in More Than One Year	
Capital Lease Obligation	58,116
Debt Certificates Payable (Net of Premium and Discount)	490,969
Net Pension Liability	125,650
TOTAL LIABILITIES	<u>978,067</u>
DEFERRED INFLOWS	
IMRF Deferred Inflows	11,130
TOTAL DEFERRED INFLOWS	<u>11,130</u>
NET POSITION	
Net Investment in Capital Assets	3,609,315
Restricted Amounts	
Debt Service Reserve	100,000
Unrestricted Amounts	478,708
TOTAL NET POSITION	<u>\$ 4,188,023</u>

See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Statement of Activities
For The Year Ended May 31, 2016

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenues and Change in Net Position - Business Type Activities
Business Type Activities				
Program Services	\$ 1,408,809	\$ 574,780	\$ 63,561	\$ (770,468)
Interest on Long-Term Debt	16,975	0	0	(16,975)
Change in Net Pension Liability	10,247	0	0	(10,247)
Total Business Type Activities	<u>\$ 1,436,031</u>	<u>\$ 574,780</u>	<u>\$ 63,561</u>	<u>\$ (797,690)</u>
GENERAL REVENUES				
Member Contributions				713,498
Interest Income				572
Gain on Sale of Capital Asset				<u>1,642</u>
TOTAL GENERAL REVENUES				<u>715,712</u>
CHANGE IN NET POSITION				(81,978)
NET POSITION,				
BEGINNING OF YEAR				4,275,320
PRIOR PERIOD ADJUSTMENT				<u>(5,319)</u>
BEGINNING OF YEAR, RESTATED				<u>4,270,001</u>
END OF YEAR				<u>\$ 4,188,023</u>

See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Statement of Fund Net Position
May 31, 2016

	Business Type Activities
ASSETS	
Cash	\$ 756,072
Prepaid Expenses	2,408
TOTAL ASSETS	<u>758,480</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>758,480</u></u>
LIABILITIES	
Accounts Payable	31,087
Accrued Payroll	69,888
Unearned Revenue	45,172
Funds Held on Behalf of Others	19,353
TOTAL LIABILITIES	<u>165,500</u>
TOTAL DEFERRED INFLOWS	<u>0</u>
FUND NET POSITION	
Restricted Amounts	100,000
Unrestricted Amounts	492,980
TOTAL FUND NET POSITION	<u>592,980</u>
Amounts reported in the Statement of Net Position are different because:	
Capital assets are reported in the Government-Wide Financial Statements but are not reported in the fund financial statements.	4,294,932
IMRF Deferred Outflows are not recorded on the fund financial statements.	104,437
IMRF Plan Year Adjustments are not recorded on the fund financial statements.	19,371
Debt Certificates Payable are reported in the Government-Wide Financial Statements. but are not reported in the fund financial statements.	(580,000)
Capital Lease is not reported as a liability in the fund financial statements.	(114,648)
IMRF Net Pension Liability is not reported on the fund financial statements.	(125,650)
IMRF Deferred Inflows are not recorded on the fund financial statements.	(11,130)
Discount on Debt Issue is not reported as an asset in the fund financial statements.	11,340
Premium on Debt Issue is not reported as a liability in the fund financial statements.	(2,309)
Accrued Interest on Debt is not recorded in the fund financial statements.	<u>(1,300)</u>
NET POSITION	<u><u>\$ 4,188,023</u></u>

See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Statement of Revenues, Expenses and Changes in Fund Net Position
For The Year Ended May 31, 2016

	Business Type Activities
OPERATING REVENUES	
Member District Contributions	\$ 713,498
Program Fees	574,780
Donations	63,561
Interest Income	572
	<hr/>
TOTAL OPERATING REVENUES	1,352,411
	<hr/>
OPERATING EXPENSES	
Office	37,599
Building	67,906
Bus	32,059
Payroll	853,936
Program	169,564
Insurance and Safety Training	21,748
Professional Services	50,340
Professional Enrichment	10,700
Capital Expenditures	235,068
Debt Service Fees	350
	<hr/>
TOTAL OPERATING EXPENSES	1,479,270
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OPERATING LOSS	(126,859)
	<hr/>
NON-OPERATING INCOME (EXPENSES)	
Principal Payments	(147,000)
Interest Payments	(17,100)
Issuance of Capital Lease Obligation	186,648
Proceeds from the Sale of Capital Asset	25,000
	<hr/>
TOTAL NON-OPERATING INCOME	47,548
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CHANGE IN FUND NET POSITION	(79,311)
	<hr/>
FUND NET POSITION, BEGINNING OF YEAR	672,291
	<hr/>
END OF YEAR	\$ 592,980
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See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Net Position to the Statement of Activities
For The Year Ended May 31, 2016

Net Change in Fund Net Position (Statement of Revenues, Expenses, and Changes in Fund Net Position)	\$ (79,311)
Amounts reported for business type activities in the Statement of Activities are different because:	
Depreciation of capital assets is not considered an expense in the fund financial statements.	(161,960)
The purchase of capital assets is considered an expense in the fund financial statements.	231,117
The loss on the sale of Capital Assets is not considered an expense in the fund financial statements.	(23,358)
The change in the net pension liability is not considered an expenditure in the fund financial statements.	(10,247)
Adjustments for the IMRF plan year are not considered an expenditure in the fund financial statements.	2,594
Payments of debt principal are treated as an expenditure in the fund financial statements.	75,000
Payments of capital lease principal are treated as an expenditure in the fund financial statements.	72,000
Proceeds from the issuance of capital lease obligations are considered Other Financing Sources in the fund financial statements.	(186,648)
The issuance of debt in the prior years resulted in: Premium on Debt Issue and Discount on Debt Issue that were reported as current financial resources in the governmental funds. However, these amounts have been amortized in the government-wide statements:	
Amortization of Premium on Bond Issue	330
Amortization of Discount on Bond Issue	(1,620)
The change in accrued interest expense is not recorded in the fund financial statements.	<u>125</u>
Change in Net Position of Business Type Activities (Statement of Activities)	<u>\$ (81,978)</u>

See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Statement of Cash Flows
For The Year Ended May 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Members and Participants	\$ 1,366,681
Interest Received	572
Cash Paid to Suppliers and Employees	<u>(1,388,523)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(21,270)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Proceeds from the Sale of Capital Assets	25,000
Issuance of Capital Lease Obligation	186,648
Principal Payments	(147,000)
Interest Payments	<u>(17,100)</u>
NET CASH PROVIDED BY CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>47,548</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	26,278
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>729,794</u>
END OF YEAR	<u><u>\$ 756,072</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating Loss	<u>\$ (126,859)</u>
Adjustment to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Changes in Certain Assets and Liabilities:	
Performance Deposit	11,496
Capital Lease Deposit	60,000
Prepaid Expenses	14,160
Accounts Payable	981
Accrued Payroll	8,001
Unearned Revenue	3,346
Funds Held on Behalf of Others	<u>7,605</u>
Total Adjustments	<u>105,589</u>
NET CASH USED IN OPERATING ACTIVITIES	<u><u>\$ (21,270)</u></u>

See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Notes To The Financial Statements
For The Year Ended May 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lincolnway Special Recreation Association (the "Association") was established in 1981 and is located in New Lenox, Illinois. The Association operates under a Board-Director form of government and provides services as authorized by its charter. The Association provides a variety of services to participating communities within the boundaries of the Association.

The accounting and reporting policies of the Association relating to the funds included in the accompanying general purpose financial statements conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

A. Reporting Entity

The Association follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Association has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the Association is not required to be included as a component unit of any other entity.

B. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business type activities, when applicable. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business type activities are financed in whole or in part by fees charged to external parties for goods or services.

**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Association allocates indirect expenses to functions in the Statement of Activities in cases where a clear and direct connection exists. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Member contributions and other income items that are not specifically related to a function are reported as general revenues.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Funds are organized as major funds or non-major funds within the fund financial statements. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type and
- Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

Business Type Fund (Business Type Activities)

Business type funds are those through which most business type functions of the Association are financed. The Association's expendable financial resources are accounted for through business type funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the Association's business type fund follows:

General Fund

The General Fund is the primary operating fund of the Association. It is used to account for all financial resources.

MAJOR FUND

The Association reports the following major business type fund:

- The General Fund, which accounts for the association's primary operating activities.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting are followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the Association's operations. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Member agency contributions, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. Class registration fees received by the Association are recognized as revenue when the class starts. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

The Association reports unearned revenues on its Statement of Net Position and its Business Type Fund Balance Sheet. For government-wide financial statements, unearned revenues arise from program charges received before the program has started. For governmental fund financial statements, deferred revenues occur when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the Association before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Association has a legal claim to the resources, the liability for deferred revenue is removed from the Business Type Fund Balance Sheet and revenue is recognized accordingly.

D. Measurement Focus

On the government-wide Statement of Net Position and Statement of Activities, business type activities are presented using the flow of economic resources measurement focus, which means all assets, deferred outflows, liabilities (whether current or non-current), and deferred inflows are included on the Statement of Net Position and the operating statements present increases and decreases in net position. The measurement focus of all business type funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements, but are excluded from the business type fund financial statements. The related expenditures are recognized in the business type fund financial statements when the liabilities are liquidated.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Contributions

Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net position are reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions. Restricted contributions whose restrictions are met in the same reporting period they are received are shown as unrestricted support.

F. Use of Estimates

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

G. Budgetary and Budgetary Accounting

The Board of Directors followed these procedures in establishing the budgetary data reflected in the financial statements. The Directors submit to the Board of Directors a proposed operating budget for the upcoming fiscal year commencing June 1. The operating budget includes proposed expenditures and the means for financing. The operating budget is based upon the recommendation of the Director and the Board Finance committee. The Board of Directors has the power to amend the Budget in the same manner as its original enactment.

H. Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of six months or less are considered short-term for these purposes.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond May 31, 2016 are recorded as prepaid items.

**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

Depreciation of all exhaustible capital assets over the threshold of \$500 is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Computers and Equipment	5 - 7 Years
Furniture and Fixtures	5 - 10 Years
Vehicles	5 - 8 Years

K. Compensated Absences

Association employees are entitled to vacation and sick leave in varying amounts. Vacation days cannot be accumulated or carried forward to the next calendar year.

Vacation entitlements for varying lengths of service are as follows:

<u>Years of Service</u>	<u>Vacation Days</u>
1 - 3 years	10 days
4 years	11 days
5 years	12 days
6 years	13 days
7 years	14 days
8 years	15 days
9 years	16 days
10 years	17 days
11 years	18 days
12 years	19 days
13 years and over	20 days

Full-time employees are granted 12 sick days per year based on their regular work schedule, at the rate of one per month, up to a maximum accumulation of 16 days. Days in excess of 16 will be placed in a reserve account and may only be used toward Illinois Municipal Retirement Fund (IMRF) service credit as determined by IMRF policies. Up to 240 accumulated sick days may be used toward IMRF retirement service credit.

Eligible vacation days may be used in lieu of paid sick leave when and if all accrued sick leave has been exhausted. At the discretion of LWSRA, vacation days may be required to be used for other types of leave, providing that the benefits associated with those leaves are exhausted.

Vacation days cannot be accumulated or carried forward to the next calendar year. Vacation days not used by December 31 will be forfeited without compensation.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications

Equity is classified as net position and displayed in three components:

- Net Investment in capital assets – consists of capital assets, net of accumulated depreciation and related debt, if applicable.
- Restricted Amounts – consists of amounts with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Amounts – consists of all other amounts that do not meet the definition of restricted or invested in capital assets.

On May 1, 2013, the Association established a \$100,000 restriction in accordance with the Series 2013A Debt Certificate Agreement. The \$100,000 “Debt Service Reserve” restriction represents amounts restricted for debt service payments. The purpose of the restriction is to prevent default on debt certificate principal and interest payments as they become due.

M. GASB Pronouncements

In June 1999, The GASB issued Statement No. 34, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.” This Statement establishes new financial reporting requirements for state and local governments throughout the United States. The requirements of this Statement are effective in three phases based on a government’s total revenues in the first year ending after June 15, 1999. The Association has adopted this Statement for the period beginning January 1, 2004.

As of June 1, 2012, the Association has implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government’s net position.

As of June 1, 2012, the Association has implemented GASB Statement No. 65 “Items Previously Reported as Assets and Liabilities”. The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Statement also recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets and liabilities.

As of June 1, 2015, the Association has implemented GASB Statement No. 68 “Accounting and Financial Reporting for Pensions” which is an amendment of GASB Statement No. 27. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016

NOTE 2 – CASH AND CASH EQUIVALENTS

A. Deposits

At May 31, 2016, the carrying amount of the Association's deposits was \$756,072 and the bank balance was \$770,795. The deposits are categorized in accordance with risk factors created by governmental reporting standards. As of May 31, 2016, \$153,837 of the Association's deposits are uncollateralized. Reported within the deposits held at May 31, 2016, the Association maintained a balance of \$339,556 in the Illinois Park District Liquid Asset Fund. This pooled investment with other Associations is similar in nature to a money market fund and consists primarily of certificates of deposit, U.S. Government securities, commercial paper, and corporate bonds. Because individual securities are not owned by the Association, amounts invested in the Illinois Park District Liquid Asset Fund are not categorized.

B. Policies for Investments

It is the policy of the Association to invest 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 for deposits with financial institutions is the risk that in the event of a bank's 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. The Association limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016

NOTE 3 - CAPITAL ASSETS

A summary of the changes in capital assets for the year follows for the business-type activities. Total depreciation expense for the year charged to the business type activities was \$161,960.

	Balance May 31, 2015	Additions	Dispositions	Reclassifications	Balance May 31, 2016
Assets Not Subject to Depreciation					
Construction in Progress	\$ 0		\$ 0		
Assets Subject to Depreciation					
Buildings	4,201,055	0	0		4,201,055
Vehicles	258,354	199,430	(166,096)	0	291,688
Furniture and Fixtures	11,189	0	0	0	11,189
Improvements		27,917			27,917
Office Equipment	79,803	3,770		0	83,573
	<u>4,550,401</u>	<u>231,117</u>	<u>(166,096)</u>	<u>0</u>	<u>4,615,422</u>
Less: Accumulated Depreciation					
Building	(70,017)	(84,020)	0	0	(154,037)
Vehicles	(184,654)	(66,709)	142,738	0	(108,625)
Furniture and Fixtures	(3,528)	(1,051)	0	0	(4,579)
Improvements		(411)			(411)
Office Equipment	(43,069)	(9,769)		0	(52,838)
	<u>(301,268)</u>	<u>(161,960)</u>	<u>142,738</u>	<u>0</u>	<u>(320,490)</u>
Net Assets Subject to Depreciation	<u>4,249,133</u>	<u>69,157</u>	<u>(23,358)</u>	<u>0</u>	<u>4,294,932</u>
Net Capital Assets	<u>\$ 4,249,133</u>	<u>\$ 69,157</u>	<u>\$ (23,358)</u>	<u>\$ 0</u>	<u>\$ 4,294,932</u>

On November 23, 2010, the Association entered into a 99 year intergovernmental lease agreement effective May 1, 2013 for land owned by New Lenox Park District. The lease calls for rent payments of \$10 per year, and includes a 99 year renewal option. The building owned by the Association is built on the leased land, and as such, the corresponding land has not been recorded as an asset on the Association's books.

NOTE 4 - DEBT COMMITMENTS

A. Debt Transactions

The following is a summary of debt transactions for the year ended May 31, 2016:

	Balance May 31, 2015	New Debt	Principal Paid	Balance May 31, 2016	Amount Due Within One Year
Debt Certificates					
Series 2013A	\$ 655,000	\$ 0	\$ (75,000)	\$ 580,000	\$ 80,000
Bond Premiums	2,639	0	(330)	2,309	
Bond Discounts	(12,960)	0	1,620	(11,340)	
Total	<u>\$ 644,679</u>	<u>\$ 0</u>	<u>\$ (73,710)</u>	<u>\$ 570,969</u>	

**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016**

NOTE 4 - DEBT COMMITMENTS (CONTINUED)

B. Long-Term Debt

Series 2013A Debt Certificate, originally issued for \$2,025,000, interest payments due on November 1 and May 1 with rates ranging from 1.25% to 3%, principal payments due on May 1.

C. Annual Debt Service Requirements

The annual requirements on all debt to maturity as of May 31, 2016 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	80,000	15,600	95,600
2018	80,000	13,800	93,800
2019	80,000	12,000	92,000
2020	80,000	10,000	90,000
2021	85,000	7,800	92,800
2022-2023	175,000	7,950	182,950
	<u>\$ 580,000</u>	<u>\$ 67,150</u>	<u>\$ 647,150</u>

D. Capital Lease Obligation

The Association leases buses (with a historical cost of \$186,648) through a capital lease agreement which is recorded in the Governmental funds.

The change in capital lease obligations for the year ending May 31, 2016 is as follows:

	<u>Governmental Funds</u>
Lease Obligation, May 31, 2015	\$ 0
Lease Issuance	186,648
Payments Made	<u>(72,000)</u>
Lease Obligation, May 31, 2016	<u>\$ 114,648</u>

NOTE 5 - CONTINGENCIES

Legal counsel has expressed an opinion that the Association has no significant risk of monetary liability as a result of any pending litigation.

NOTE 6 – MEMBER DISTRICT CONTRIBUTIONS

More than half of the Association's funding comes from its member district contributions. Regular member district contributions are calculated as 2% of equalized assessed valuation of each district divided by 100. Beginning June 1, 2013, the Association began allocating 92.5% of its regular member district contributions to the General Fund and the remaining 7.5% to the Recreation Fund. Additionally, the Association began collecting an additional "Quarter Cent" fee in its Debt Certificates Fund which is calculated as .25% of equalized assessed valuation of each district divided by 100.

The following is a list of the Member Districts and their respective contribution for the fiscal year ending May 31, 2016:

**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016**

NOTE 6 – MEMBER DISTRICT CONTRIBUTIONS (CONTINUED)

Agency	Regular Contributions		Quarter Cent Fee	
	Final Budget	Actual	Final Budget	Actual
Frankfort Park District	\$ 138,021	\$ 138,021	\$ 17,253	\$ 17,253
Manhattan Park District	48,723	48,723	6,090	6,090
Mokena Park District	179,612	179,612	22,452	22,452
New Lenox Park District	229,851	229,851	28,713	28,713
Peotone Park District	16,355	16,355	2,044	2,044
Wilmington Park District	21,675	21,675	2,709	2,709
	<u>\$ 634,237</u>	<u>\$ 634,237</u>	<u>\$ 79,261</u>	<u>\$ 79,261</u>

NOTE 7 – HEALTH INSURANCE

On September 1, 1997 the Lincolnway Special Recreation 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 Lincolnway Special Recreation 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 the PDRMA Health Program is governed by a contract and by-laws that have been adopted by 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's balance sheet at December 31, 2015 and the statement of revenues and expenses for the period ending December 31, 2015.

Assets	\$	17,141,280
Liabilities	\$	5,510,343
Member Balances	\$	11,883,538
Revenues	\$	36,926,788
Expenditures	\$	34,071,062

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

**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016**

NOTE 8 – PARTICIPATION IN PUBLIC ENTITY RISK POOL

The Lincolnway Special Recreation Association is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since June 1, 1992, the The Lincolnway Special Recreation Association has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program. PDRMA is a public entity risk pool consisting of park districts, forest preserve districts, special recreation associations and certain non-profit organizations serving the needs of public entities formed in accordance with the terms of an intergovernmental cooperative agreement among its members. Property, general liability, automobile liability, crime, boiler and machinery, public officials' liability, employment practices liability, workers compensation and pollution liability 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 property/casualty coverage in effect for the period January 1, 2016 through January 1, 2017:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
1. Property					
Property/Bldg/Contents				PDRMA	P070115
All losses per occurrence	\$1,000	\$1,000,000	\$1,000,000,000/all members Declaration 11	Reinsurers: Various	
Flood/except Zones A&V	\$1,000	\$1,000,000	\$250,000,000/occurrence/annual aggregate	Reinsurers through the	
Flood, Zones A & V	\$1,000	\$1,000,000	\$200,000,000/occurrence/annual aggregate	Public Entity Property	
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/occurrence/annual aggregate	Reinsurance Program (PEPIP)	
Auto Physical Damage					
Comprehensive and Collision	\$1,000	\$1,000,000	Included		
Course of Construction	\$1,000	Included	\$25,000,000		
Business Interruption, Rental			\$100,000,000/ reported values		
Income, Tax Income Combined	\$1,000		\$500,000/ \$2,500,000 reported values non-reported values		
Service Interruption	24 hours	N/A	\$25,000,000		
			OTHER SUB-LIMITS APPLY - REFER TO COVERAGE DOCUMENT		
Boiler and Machinery			\$100,000,000 Equipment Breakdown	Travelers	BME1 0525L478
Property damage	\$1,000	\$9,000	Property damage - included	Indemnity Co. of Illinois	
Business Income	48 hours	N/A	Included		
			OTHER SUB-LIMITS APPLY - REFER TO COVERAGE DOCUMENT		
Fidelity and Crime	\$1,000	\$24,000	\$2,000,000	National Union	04-766-58-14
Seasonal employees	\$1,000	\$9,000	\$1,000,000	Fire Insurance Co.	
Blanket bond	\$1,000	\$24,000	\$2,000,000		
2. Workers Compensation					
Employers' Liability	N/A	\$500,000	Statutory	PDRMA	WC010116
		\$500,000	\$3,500,000 Employers Liability	Government Entities Mutual (GEM)	GEM-0003-A16002
				Safety National	SP4054429

**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016**

NOTE 8 – PARTICIPATION IN PUBLIC ENTITY RISK POOL (CONTINUED)

Coverage	Member Deductible	PDRMA Self- Insured Retention	Limits	Insurance Company	Policy Number
3. Liability					
General	None	\$500,000	\$21,500,000/occurrence	PDRMA	L010116
Auto Liability	None	\$500,000	\$21,500,000/occurrence	Reinsurers: GEM	GEM-0003-
Employment Practices	None	\$500,000	\$21,500,000/occurrence	Great American	A16002
Public Officials' Liability	None	\$500,000	\$21,500,000/occurrence	Genesis	C501
Law Enforcement Liability	None	\$500,000	\$21,500,000/occurrence		
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000 / occurrence		
4. Pollution Liability					
Liability - Third Party	None	\$25,000	\$5,000,000 per occurrence	XL Environmental Insurance	PEC 2535805
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 yr. general aggregate		
5. Outbreak Expense	24 hours	N/A	\$15,000 per day \$1 million aggregate policy limit	Great American	OB010116
6. Information Security and Privacy Insurance with Electronic Media Liability Coverage					
Information Security & Privacy Liability	None	\$100,000	\$2,000,000/occurrence/annual aggregate	Beazley Lloyds Syndicate AFB	PH1533938
Privacy Notification Costs	None	\$100,000	\$500,000/occurrence/annual aggregate	2623/623 through the PEPPIP program	
Regulatory Defense & Penalties	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
Website Media Contact Liability	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
Cyber Extortion	None	\$100,000	\$2,000,000/occurrence/annual aggregate		
Data Protection & Business Interruption	\$1,000	\$100,000	\$2,000,000/occurrence/annual aggregate		
First Party Business Interruption	8 hours	\$100,000	\$25,000 hourly sublimit/\$25,000 forensic expense/\$100,000 dependent business interruption		
7. Volunteer Medical Accident	None	\$5,000	\$5,000 medical expense and AD&D excess of any other collectible insurance	Self-insured	
8. Underground Storage Tank Liability	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund	Self-insured	
9. Unemployment Compensation	N/A	N/A	Statutory	Self-funded	

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

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016

NOTE 8 – PARTICIPATION IN PUBLIC ENTITY RISK POOL (CONTINUED)

As a member of PDRMA's Property/Casualty Program, the Lincolnway Special Recreation 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 Lincolnway Special Recreation Association and PDRMA is governed by a contract and the by-laws that have been adopted by resolution of the Lincolnway Special Recreation Association's governing body. The Lincolnway Special Recreation 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 investigation 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 balance sheet at December 31, 2015 and the statement of revenues and expenses for the period ending December 31, 2015. The Lincolnway Special Recreation Association's portion of the overall equity of the pool is 0.012% or \$5,042.

Assets	\$	63,181,823
Liabilities	\$	23,063,014
Member Balances	\$	40,708,211
Revenues	\$	18,585,098
Expenditures	\$	19,500,046

Since 95.90% of PDRMA's liabilities are reserves for losses and loss adjustment expenses which are based on an actuarial estimate of the ultimate losses incurred, the Member Balances are adjusted annually as more recent loss information becomes available.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2016

NOTE 9 – FUNDS HELD ON BEHALF OF OTHERS

The Association receives funds with the specific purpose to financially assist its members with Special Recreation activities. As such, the Association treats unpaid amounts received for the benefit of others as a liability on the Statement of Net Position. As of May 31, 2016, the Association holds \$19,353 for general scholarships, designated scholarships and uniforms intended for the benefit of its members.

NOTE 10 – SUBSEQUENT EVENTS

The date to which events occurring after May 31, 2016, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is DATE, the date the financial statements were available to be issued.

NOTE 11 – PENSION COMMITMENT

Plan Description. The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Association plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the Association Regular plan members are required to contribute 4.50 percent 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. The employer contribution rate from calendar year 2015 was 8.51 percent. The Association also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2015 was \$43,771.

A prior period adjustment of \$5,319 has been recorded in the government-wide financial statements in relation to the implementation of GASB 68.

In accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – An amendment of GASB No. 27," the following information is provided:

Lincolnway Special Recreation Association
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2016

NOTE 11 – PENSION COMMITMENT (CONTINUED)

Actuarial Valuation Date	December 31, 2015
Measurement Date of the Net Pension Liability	December 31, 2015
Fiscal Year End	May 31, 2016

Membership

Number of	
- Retirees and Beneficiaries	1
- Inactive, Non-Retired Members	13
- Active Members	18
- Total	<u>32</u>

Covered Valuation Payroll	<u>\$ 514,345</u>
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Net Pension Liability

Total Pension Liability/(Asset)	\$ 669,874
Plan Fiduciary Net Position	544,224
Net Pension Liability/(Asset)	<u>\$ 125,650</u>
Plan Fiduciary Net Position as a Percentage of total Pension liability	81.24%
Net Pension Liability as a Percentage of Covered Valuation Payroll	24.43%

Development of the Single Discount Rate as of December 31, 2015

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.57%
Last year December 31 in the 2016 to 2115 projection period for which projected benefit payments are fully funded	2106
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate Calculated using December 31, 2014 Measurement Date	7.50%

Total Pension Expense/(Income)	<u>\$ 50,007</u>
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Deferred Outflows and Deferred Inflows of Resources by Source
(to be recognized in Future Pension Expenses)

	Outflows of Resources	Inflows of Resources
1. Difference between expected and actual experience	\$ 55,191	\$ 11,130
2. Assumption Changes	16,389	0
3. Net Difference between projected and actual earnings on pension plan investments	32,857	0
4. Total	<u>\$ 104,437</u>	<u>\$ 11,130</u>

Lincolnway Special Recreation Association
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2016

NOTE 11 – PENSION COMMITMENT (CONTINUED)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD

Calendar Year Ended December 31, 2015

A. Total pension liability		
1. Service cost	\$	48,903
2. Interest on the total pension liability		46,688
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the total pension liability		(12,863)
5. Changes of assumptions		0
6. Benefit payments, including refunds of employee contributions		(21,813)
7. Net change in total pension liability		60,915
8. Total pension liability – beginning		608,959
9. Total pension liability – ending	\$	<u>669,874</u>
B. Plan fiduciary net position		
1. Contributions – employer	\$	43,771
2. Contributions – employee		23,145
3. Net investment income		2,581
4. Benefit payments, including refunds of employee contributions		(21,813)
5. Other (net transfer)		2,984
6. Net change in plan fiduciary net position		50,668
7. Plan fiduciary net position – beginning		493,556
8. Plan fiduciary net position – ending	\$	<u>544,224</u>
C. Net pension liability/(asset)	\$	<u>125,650</u>
D. Plan fiduciary net position as a percentage of the total pension liability		81.24%
E. Covered Valuation Payroll		514,345
F. Net pension liability as a percentage of covered valuation payroll		24.43%

Lincolnway Special Recreation Association
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2016

NOTE 11 – PENSION COMMITMENT (CONTINUED)

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY

Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates:

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.5%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). the IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). the IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality table applying the same adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
<u>Other Information:</u>	There were no benefit changes during the year.

Lincolnway Special Recreation Association
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2016

NOTE 11 – PENSION COMMITMENT (CONTINUED)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: Actuarially determined contribution rates are calculated as of December 31st of each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Total Pension Liability and Contribution Rates:

Actuarial Cost Method	Aggregate Entry-Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies : 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).

Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.

Mortality RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information: There were no benefit changes during the year.

**Lincolnway Special Recreation Association
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2016**

NOTE 11 – PENSION COMMITMENT (CONTINUED)

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The single discount rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.50%.

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE
SINGLE DISCOUNT RATE ASSUMPTION

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 793,104	\$ 669,874	\$ 572,438
Plan Fiduciary Net Position	544,224	544,224	544,224
Net Pension Liability/(Asset)	<u>\$ 248,880</u>	<u>\$ 125,650</u>	<u>\$ 28,214</u>

Lincolnway Special Recreation Association
IMRF Pension Disclosures
For the Year Ended May 31, 2016

In accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statements No. 27", the financial statements of employers also include required supplementary information showing the 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll, and
- Comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 Last 10 Plan Years (When Available)

Plan Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 40,618	\$ 40,639	\$ (21)	\$ 482,394	8.42%
2015	43,771	43,771	0	\$ 514,345	8.51%

* Estimated based on contribution rate of 8.51% and covered valuation payroll of \$514,345.

Lincolnway Special Recreation Association
IMRF Pension Disclosures (Continued)
For The Year Ended May 31, 2016

Schedules of Required Supplementary Information
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Plans Years (When Available)

Plan Year Ending December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ 48,903	\$ 52,806
Interest on the total pension liability	46,688	34,979
Changes of benefit terms	0	0
Difference between expected and actual experience of the total pension liability	(12,863)	74,561
Changes of assumptions	0	22,141
Benefit payments, including refunds of employee contributions	(21,813)	(31,019)
Net change in total pension liability	60,915	153,468
Total pension liability - beginning	608,959	455,491
Total pension liability - ending	\$ 669,874	\$ 608,959
Plan fiduciary net position		
Contributions - employer	\$ 43,771	\$ 40,639
Contributions - employee	23,145	21,720
Net investment income	2,581	27,147
Benefit payments, including refunds of employee contributions	(21,813)	(31,019)
Other (net transfer)	2,984	5,705
Net change in plan fiduciary net position	50,668	64,192
Plan fiduciary net position - beginning	493,556	429,364
Plan fiduciary net position - ending	\$ 544,224	\$ 493,556
Net pension liability/(asset)	\$ 125,650	\$ 115,403
Plan fiduciary net position as a percent of the total pension liability	81.24%	81.05%
Covered Valuation Payroll	\$ 514,345	\$ 482,394
Net pension liability as a percent of covered valuation payroll	24.43%	23.92%

**Lincolnway Special Recreation Association
 Budgetary Comparison Schedule
 For The Year Ended May 31, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Member District Contributions	\$ 714,757	\$ 713,498	\$ 713,498	\$ 0
Program Fees	457,900	457,900	574,780	116,880
Donations	117,400	117,400	63,561	(53,839)
Interest Income	1,000	1,000	572	(428)
TOTAL OPERATING REVENUES	<u>1,291,057</u>	<u>1,289,798</u>	<u>1,352,411</u>	<u>62,613</u>
OPERATING EXPENSES				
Office	36,250	36,250	37,599	(1,349)
Building	54,000	54,000	67,906	(13,906)
Bus	40,750	40,750	32,059	8,691
Payroll	831,554	831,554	853,936	(22,382)
Program	93,300	93,300	169,564	(76,264)
Insurance and Safety Training	23,000	23,000	21,748	1,252
Professional Services	48,500	48,500	50,340	(1,840)
Professional Enrichment	8,000	8,000	10,700	(2,700)
Capital Outlay	115,500	115,500	235,068	(119,568)
Debt Service	0	0	350	(350)
TOTAL OPERATING EXPENSES	<u>1,250,854</u>	<u>1,250,854</u>	<u>1,479,270</u>	<u>(228,416)</u>
OPERATING LOSS	40,203	38,944	(126,859)	(165,803)
NON-OPERATING INCOME (EXPENSES)				
Principal Payments	(75,000)	(75,000)	(147,000)	(72,000)
Interest Payments	(17,100)	(17,100)	(17,100)	0
Issuance of Capital Lease Obligation	0	0	186,648	186,648
Proceeds from the Sale of Capital Asset	0	0	25,000	25,000
TOTAL NON-OPERATING INCOME	<u>(92,100)</u>	<u>(92,100)</u>	<u>47,548</u>	<u>139,648</u>
CHANGE IN NET POSITION	<u>\$ (51,897)</u>	<u>\$ (53,156)</u>	(79,311)	<u>\$ (26,155)</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>672,291</u>	
END OF YEAR			<u>\$ 592,980</u>	

Lincolnway Special Recreation Association
Schedule of Expenses
Budget and Actual
For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES				
Office				
Telephone	\$ 11,500	\$ 11,500	\$ 10,007	\$ 1,493
Office Supplies	13,500	13,500	19,052	(5,552)
Gifts	250	250	399	(149)
Postage	2,000	2,000	960	1,040
Printing	8,000	8,000	6,723	1,277
Advertisement	1,000	1,000	458	542
	<u>36,250</u>	<u>36,250</u>	<u>37,599</u>	<u>(1,349)</u>
Building				
Building Maintenance	30,000	30,000	45,120	(15,120)
Utilities	24,000	24,000	22,786	1,214
	<u>54,000</u>	<u>54,000</u>	<u>67,906</u>	<u>(13,906)</u>
Bus				
Operating Maintenance	40,000	40,000	31,539	8,461
Driver Training and Drug Test	750	750	520	230
	<u>40,750</u>	<u>40,750</u>	<u>32,059</u>	<u>8,691</u>
Payroll				
Administrative Salaries	250,552	250,552	254,171	(3,619)
Executive Director's Salary	76,425	76,425	87,495	(11,070)
Recreation Supervisor's Salary	51,968	51,968	46,221	5,747
Personnel Salaries	297,609	297,609	312,108	(14,499)
Employee Benefits	107,000	107,000	104,807	2,193
FICA Expense	48,000	48,000	49,134	(1,134)
	<u>831,554</u>	<u>831,554</u>	<u>853,936</u>	<u>(22,382)</u>
Program				
Program Supplies and Costs	87,300	87,300	158,110	(70,810)
Special Events	2,000	2,000	2,296	(296)
Marketing and Outreach	4,000	4,000	9,158	(5,158)
	<u>93,300</u>	<u>93,300</u>	<u>169,564</u>	<u>(76,264)</u>
Insurance and Safety Training				
Insurance and PDRMA	20,000	20,000	18,341	1,659
Safety Training	3,000	3,000	3,407	(407)
	<u>23,000</u>	<u>23,000</u>	<u>21,748</u>	<u>1,252</u>
Professional Services				
Audit	6,000	6,000	5,000	1,000
Legal	3,000	3,000	3,080	(80)
Accounting Services	35,000	35,000	39,153	(4,153)
IT Services	1,500	1,500	880	620
Miscellaneous	3,000	3,000	2,227	773
	<u>48,500</u>	<u>48,500</u>	<u>50,340</u>	<u>(1,840)</u>
Subtotal	<u>\$ 1,127,354</u>	<u>\$ 1,127,354</u>	<u>\$ 1,233,152</u>	<u>\$ (105,798)</u>

**Lincolnway Special Recreation Association
Schedule of Expenses (Continued)
Budget and Actual
For The Year Ended May 31, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES (CONTINUED)				
Professional Enrichment				
Seminars, Conferences, and Dues	\$ 7,000	\$ 7,000	\$ 10,239	\$ (3,239)
Mileage	1,000	1,000	461	539
	<u>8,000</u>	<u>8,000</u>	<u>10,700</u>	<u>(2,700)</u>
Capital Outlay				
Construction Costs	50,000	50,000	30,964	19,036
Vehicle Purchase	60,000	60,000	198,820	(138,820)
Program Equipment	2,500	2,500	2,841	(341)
Office Equipment	3,000	3,000	2,443	557
	<u>115,500</u>	<u>115,500</u>	<u>235,068</u>	<u>(119,568)</u>
Debt Service				
Fees	0	0	350	(350)
	<u>0</u>	<u>0</u>	<u>350</u>	<u>(350)</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,250,854</u>	<u>\$ 1,250,854</u>	<u>\$ 1,479,270</u>	<u>\$ (228,416)</u>

Lincolnway Special Recreation Association
 Schedule of Fund Net Position by Entity's Internal Funds
 May 31, 2016

	General	Recreation	Debt Certificates	Debt Service Reserve	Capital Projects	Total
ASSETS						
Cash	\$ 402,199	\$ 112,349	\$ 11,142	\$ 100,000	\$ 130,382	\$ 756,072
Prepaid Expenses	0	0	0	0	2,408	2,408
TOTAL ASSETS	<u>402,199</u>	<u>112,349</u>	<u>11,142</u>	<u>100,000</u>	<u>132,790</u>	<u>758,480</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>402,199</u>	<u>112,349</u>	<u>11,142</u>	<u>100,000</u>	<u>132,790</u>	<u>758,480</u>
LIABILITIES						
Accounts Payable	18,741	12,346	0	0	0	31,087
Accrued Payroll	47,396	22,492	0	0	0	69,888
Unearned Revenue	1,841	43,331	0	0	0	45,172
Funds Held on Behalf of Others	0	19,353	0	0	0	19,353
TOTAL LIABILITIES	<u>67,978</u>	<u>97,522</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>165,500</u>
TOTAL DEFERRED INFLOWS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET POSITION						
Restricted Amounts	0	0	0	100,000	0	100,000
Unrestricted Amounts	334,221	14,827	11,142	0	132,790	492,980
TOTAL NET POSITION	<u>334,221</u>	<u>14,827</u>	<u>11,142</u>	<u>100,000</u>	<u>132,790</u>	<u>592,980</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 402,199</u>	<u>\$ 112,349</u>	<u>\$ 11,142</u>	<u>\$ 100,000</u>	<u>\$ 132,790</u>	<u>\$ 758,480</u>

Lincolnway Special Recreation Association
Schedule of Revenues, Expenses and Changes in Fund Net Position by Entity's Internal Funds
For The Year Ended May 31, 2016

	General	Recreation	Debt Certificates	Debt Service Reserve	Capital Projects	Total
OPERATING REVENUES						
Member Districts	\$ 586,668	\$ 47,547	\$ 79,283	\$ 0	\$ 0	\$ 713,498
Program Revenues	34,940	539,840	0	0	0	574,780
Donations	2,183	61,378	0	0	0	63,561
Interest Income	572	0	0	0	0	572
TOTAL OPERATING REVENUES	624,363	648,765	79,283	0	0	1,352,411
OPERATING EXPENSES						
Office	27,977	9,622	0	0	0	37,599
Building	34,924	32,982	0	0	0	67,906
Bus	520	31,539	0	0	0	32,059
Payroll	479,456	374,480	0	0	0	853,936
Program	12,823	156,741	0	0	0	169,564
Insurance and Safety	21,748	0	0	0	0	21,748
Professional Services	50,340	0	0	0	0	50,340
Professional Enrichment	10,700	0	0	0	0	10,700
Capital Outlay	2,443	201,661	0	0	30,964	235,068
Debt Service	0	0	350	0	0	350
TOTAL OPERATING EXPENSES	640,931	807,025	350	0	30,964	1,479,270
OPERATING LOSS	(16,568)	(158,260)	78,933	0	(30,964)	(126,859)
NON-OPERATING INCOME (EXPENSES)						
Principal Payments	0	(72,000)	(75,000)	0	0	(147,000)
Interest Payments	0	0	(17,100)	0	0	(17,100)
Issuance of Capital Lease Obligation	0	186,648	0	0	0	186,648
Proceeds from the Sale of Capital Asset	0	25,000	0	0	0	25,000
TOTAL NON-OPERATING INCOME	0	139,648	(92,100)	0	0	47,548
CHANGE IN NET POSITION	(16,568)	(18,612)	(13,167)	0	(30,964)	(79,311)
NET POSITION, BEGINNING OF YEAR	350,789	33,439	24,309	100,000	163,754	672,291
END OF YEAR	\$ 334,221	\$ 14,827	\$ 11,142	\$ 100,000	\$ 132,790	\$ 592,980

Lincolnway Special Recreation Association
 General Fund
 Schedule of Revenues, Expenses and Changes in Fund Net Position
 Budget and Actual
 For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Member District Contributions	\$ 587,927	\$ 586,668	\$ 586,668	\$ 0
Program Fees	18,000	18,000	34,940	16,940
Donations	7,000	7,000	2,183	(4,817)
Interest Income	1,000	1,000	572	(428)
TOTAL OPERATING REVENUES	<u>613,927</u>	<u>612,668</u>	<u>624,363</u>	<u>11,695</u>
OPERATING EXPENSES				
Office	25,500	25,500	27,977	(2,477)
Building	27,000	27,000	34,924	(7,924)
Payroll	469,978	469,978	479,456	(9,478)
Program	6,800	6,800	12,823	(6,023)
Insurance and Safety Training	23,750	23,750	22,268	1,482
Professional Services	48,500	48,500	50,340	(1,840)
Professional Enrichment	8,000	8,000	10,700	(2,700)
Capital Outlay	3,000	3,000	2,443	557
TOTAL OPERATING EXPENSES	<u>612,528</u>	<u>612,528</u>	<u>640,931</u>	<u>(28,403)</u>
CHANGE IN NET POSITION	<u>\$ 1,399</u>	<u>\$ 140</u>	(16,568)	<u>\$ (16,708)</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>350,789</u>	
END OF YEAR			<u>\$ 334,221</u>	

**Lincolnway Special Recreation Association
 General Fund
 Schedule of Expenses
 Budget and Actual
 For The Year Ended May 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING EXPENSES				
Office				
Telephone	\$ 11,500	\$ 11,500	\$ 10,007	\$ 1,493
Office Supplies	6,750	6,750	9,430	(2,680)
Gifts	250	250	399	(149)
Postage	2,000	2,000	960	1,040
Printing	4,000	4,000	6,723	(2,723)
Advertisement	1,000	1,000	458	542
	<u>25,500</u>	<u>25,500</u>	<u>27,977</u>	<u>(2,477)</u>
Building				
Building Maintenance	15,000	15,000	22,880	(7,880)
Utilities	12,000	12,000	12,044	(44)
	<u>27,000</u>	<u>27,000</u>	<u>34,924</u>	<u>(7,924)</u>
Payroll				
Administrative Salaries	224,263	224,263	227,133	(2,870)
Executive Director's Salary	61,140	61,140	69,781	(8,641)
Recreation Supervisor's Salary	41,575	41,575	36,727	4,848
Personnel Salaries	0	0	15,001	(15,001)
Employee Benefits	95,000	95,000	81,680	13,320
FICA Expense	48,000	48,000	49,134	(1,134)
	<u>469,978</u>	<u>469,978</u>	<u>479,456</u>	<u>(9,478)</u>
Program				
Program Supplies and Costs	800	800	1,369	(569)
Special Events	2,000	2,000	2,296	(296)
Marketing and Outreach	4,000	4,000	9,158	(5,158)
	<u>6,800</u>	<u>6,800</u>	<u>12,823</u>	<u>(6,023)</u>
Insurance and Safety Training				
Driver Training and Drug Test	750	750	520	230
Insurance and PDRMA	20,000	20,000	18,341	1,659
Safety Training	3,000	3,000	3,407	(407)
	<u>23,750</u>	<u>23,750</u>	<u>22,268</u>	<u>1,482</u>
Professional Services				
Audit	6,000	6,000	5,000	1,000
Legal	3,000	3,000	3,080	(80)
Accounting Services	35,000	35,000	39,153	(4,153)
IT Services	1,500	1,500	880	620
Miscellaneous	3,000	3,000	2,227	773
	<u>48,500</u>	<u>48,500</u>	<u>50,340</u>	<u>(1,840)</u>
Subtotal	<u>\$ 601,528</u>	<u>\$ 601,528</u>	<u>\$ 627,788</u>	<u>\$ (26,260)</u>

Lincolnway Special Recreation Association
 General Fund
 Schedule of Expenses (Continued)
 Budget and Actual
 For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES (CONTINUED)				
Professional Enrichment				
Seminars, Conferences, and Dues	\$ 7,000	\$ 7,000	\$ 10,239	\$ (3,239)
Mileage	1,000	1,000	461	539
	<u>8,000</u>	<u>8,000</u>	<u>10,700</u>	<u>(2,700)</u>
Capital Outlay				
Office Equipment	3,000	3,000	2,443	557
	<u>3,000</u>	<u>3,000</u>	<u>2,443</u>	<u>557</u>
TOTAL OPERATING EXPENSES	<u>\$ 612,528</u>	<u>\$ 612,528</u>	<u>\$ 640,931</u>	<u>\$ (28,403)</u>

Lincolnway Special Recreation Association
Recreation Fund
Schedule of Revenues, Expenses and Changes in Fund Net Position
Budget and Actual
For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Member District Contributions	\$ 47,547	\$ 47,547	\$ 47,547	\$ 0
Program Fees	439,900	439,900	539,840	99,940
Donations	105,400	105,400	61,378	(44,022)
TOTAL OPERATING REVENUES	<u>592,847</u>	<u>592,847</u>	<u>648,765</u>	<u>55,918</u>
OPERATING EXPENSES				
Office	10,750	10,750	9,622	1,128
Building	27,000	27,000	32,982	(5,982)
Bus	40,000	40,000	31,539	8,461
Payroll	361,576	361,576	374,480	(12,904)
Program	86,500	86,500	156,741	(70,241)
Capital Outlay	62,500	62,500	201,661	(139,161)
TOTAL OPERATING EXPENSES	<u>588,326</u>	<u>588,326</u>	<u>807,025</u>	<u>(218,699)</u>
OPERATING LOSS	4,521	4,521	(158,260)	(162,781)
NON-OPERATING INCOME (EXPENSES)				
Principal Payments	0	0	(72,000)	(72,000)
Issuance of Capital Lease Obligation	0	0	186,648	186,648
Proceeds from the Sale of Capital Asset	0	0	25,000	25,000
TOTAL NON-OPERATING INCOME	<u>0</u>	<u>0</u>	<u>139,648</u>	<u>139,648</u>
CHANGE IN NET POSITION	<u>\$ 4,521</u>	<u>\$ 4,521</u>	(18,612)	<u>\$ (23,133)</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>33,439</u>	
END OF YEAR			<u>\$ 14,827</u>	

**Lincolnway Special Recreation Association
Recreation Fund
Schedule of Expenses
Budget and Actual
For The Year Ended May 31, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES				
Office				
Office Supplies	\$ 6,750	\$ 6,750	\$ 9,622	\$ (2,872)
Printing	4,000	4,000	0	4,000
	<u>10,750</u>	<u>10,750</u>	<u>9,622</u>	<u>1,128</u>
Building				
Utilities	12,000	12,000	10,742	1,258
Maintenance	15,000	15,000	22,240	(7,240)
	<u>27,000</u>	<u>27,000</u>	<u>32,982</u>	<u>(5,982)</u>
Bus				
Operating Maintenance	40,000	40,000	31,539	8,461
	<u>40,000</u>	<u>40,000</u>	<u>31,539</u>	<u>8,461</u>
Payroll				
Administrative Salaries	26,289	26,289	27,038	(749)
Executive Director's Salary	15,285	15,285	17,714	(2,429)
Recreation Supervisor's Salary	10,393	10,393	9,494	899
Personnel Salaries	297,609	297,609	297,107	502
Employee Benefits	12,000	12,000	23,127	(11,127)
	<u>361,576</u>	<u>361,576</u>	<u>374,480</u>	<u>(12,904)</u>
Program				
Program Supplies and Costs	86,500	86,500	156,741	(70,241)
	<u>86,500</u>	<u>86,500</u>	<u>156,741</u>	<u>(70,241)</u>
Capital Outlay				
Vehicle Purchase	60,000	60,000	198,820	(138,820)
Program Equipment	2,500	2,500	2,841	(341)
	<u>62,500</u>	<u>62,500</u>	<u>201,661</u>	<u>(139,161)</u>
TOTAL OPERATING EXPENSES	<u>\$ 588,326</u>	<u>\$ 588,326</u>	<u>\$ 807,025</u>	<u>\$ (218,699)</u>

Lincolnway Special Recreation Association
 Debt Certificates Fund
 Schedule of Revenues, Expenses and Changes in Fund Net Position
 Budget and Actual
 For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Member District Contributions	\$ 79,283	\$ 79,283	\$ 79,283	\$ 0
TOTAL OPERATING REVENUES	<u>79,283</u>	<u>79,283</u>	<u>79,283</u>	<u>0</u>
OPERATING EXPENSES				
Debt Service	0	0	350	(350)
TOTAL OPERATING EXPENSES	<u>0</u>	<u>0</u>	<u>350</u>	<u>(350)</u>
OPERATING LOSS	79,283	79,283	78,933	(350)
NON-OPERATING INCOME (EXPENSES)				
Principal Payments	(75,000)	(75,000)	(75,000)	0
Interest Payments	(17,100)	(17,100)	(17,100)	0
TOTAL NON-OPERATING INCOME	<u>(92,100)</u>	<u>(92,100)</u>	<u>(92,100)</u>	<u>0</u>
CHANGE IN NET POSITION	<u>\$ (12,817)</u>	<u>\$ (12,817)</u>	(13,167)	<u>\$ (350)</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>24,309</u>	
END OF YEAR			<u>\$ 11,142</u>	

Lincolnway Special Recreation Association
Debt Certificates Fund
Schedule of Expenses
Budget and Actual
For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES				
Debt Service				
Fees	0	0	350	(350)
	<u>0</u>	<u>0</u>	<u>350</u>	<u>(350)</u>
TOTAL OPERATING EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 350</u>	<u>\$ (350)</u>

Lincolnway Special Recreation Association
Debt Service Reserve Fund
Schedule of Revenues, Expenses and Changes in Fund Net Position
Budget and Actual
For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TOTAL OPERATING REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL OPERATING EXPENSES	0	0	0	0
CHANGE IN NET POSITION	<u>\$ 0</u>	<u>\$ 0</u>	0	<u>\$ 0</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>100,000</u>	
END OF YEAR			<u>\$ 100,000</u>	

Lincolnway Special Recreation Association
Debt Service Reserve Fund
Schedule of Expenses
Budget and Actual
For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
TOTAL OPERATING EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Lincolnway Special Recreation Association
 Capital Projects Fund
 Schedule of Revenues, Expenses and Changes in Fund Net Position
 Budget and Actual
 For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Donations	\$ 5,000	\$ 5,000	\$ 0	\$ (5,000)
TOTAL OPERATING REVENUES	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
OPERATING EXPENSES				
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>30,964</u>	<u>19,036</u>
TOTAL OPERATING EXPENSES	<u>50,000</u>	<u>50,000</u>	<u>30,964</u>	<u>19,036</u>
CHANGE IN NET POSITION	<u>\$ (45,000)</u>	<u>\$ (45,000)</u>	<u>(30,964)</u>	<u>\$ 14,036</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>163,754</u>	
END OF YEAR			<u>\$ 132,790</u>	

Lincolnway Special Recreation Association
Capital Projects Fund
Schedule of Expenses
Budget and Actual
For The Year Ended May 31, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES				
Capital Outlay				
Construction Costs	\$ 50,000	\$ 50,000	\$ 30,964	\$ 19,036
	<u>50,000</u>	<u>50,000</u>	<u>30,964</u>	<u>19,036</u>
TOTAL OPERATING EXPENSES	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 30,964</u>	<u>\$ 19,036</u>