

**Lincolnway Special Recreation Association
Annual Financial Report
For The Year Ended May 31, 2018**

Lincolnway Special Recreation Association
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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, 2018, 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, 2018, 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, 2018 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, 2018 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.

Knuttle & Associates, P.C.

**LINCOLNWAY SPECIAL RECREATION ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2018**

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 \$3,782,399. Overall, operating revenues this past year were \$1,642,301 and expenses were \$1,773,821 for a negative change in net position of \$(131,520). 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 position decreased slightly from \$3,913,919 to \$3,782,399 over the course of the year.

Member Agency contributions assessed and collected were \$762,028 compared to the prior year of \$724,394 for an increase of \$37,634.

Recreation program registrations increased over the past year from \$571,189 to \$677,783 resulting in an increase of \$106,594 from the prior year.

The Association continues to have the ability to devote resources toward improving and expanding its programs and facilities. In 2018, \$245,555 was spent on capital assets for the Association .

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 Position. This is the statement of position presenting information that includes all of the Association's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Association 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 position 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 33 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 position decreased from \$3,913,919 to \$3,782,399 as a result of operations and adjustments made in 2018. This is after \$191,471 in depreciation which is also reflected in a decrease in net capital assets.

**Lincolnway Special Recreation Association
Statement of Net Position
May 31, 2018 and 2017**

	2018	2017
Current and Other Assets	\$ 247,330	\$ 660,393
Capital Assets	4,217,682	4,163,598
Total Assets	<u>4,465,012</u>	<u>4,823,991</u>
 Deferred Outflows	 <u>174,151</u>	 <u>122,217</u>
 Current and Other Liabilities	 316,085	 447,788
Non-Current Liabilities	451,423	545,104
Total Liabilities	<u>767,508</u>	<u>1,022,892</u>
 Deferred Inflows	 <u>89,256</u>	 <u>9,397</u>
 Net Position :		
Invested in Capital Assets	3,804,133	3,613,223
Restricted	125,000	225,000
Unrestricted	(146,734)	75,696
Total Net Position	<u>\$ 3,782,399</u>	<u>\$ 3,913,919</u>

**Lincolnway Special Recreation Association
Changes in Net Position
May 31, 2018 and 2017**

	2018	2017
Revenues		
Member District Contributions	\$ 762,028	\$ 724,394
Program Revenues	677,783	571,189
Grants and Donations	196,777	87,551
Interest Income	2,766	1,902
Miscellaneous Income	2,947	1,900
Gain on Sale of Capital Asset	0	0
Total Revenues	<u>1,642,301</u>	<u>1,386,936</u>
 Expenses		
Operating	1,566,732	1,464,716
Interest Expense	15,618	18,692
Total Expenses	<u>1,582,350</u>	<u>1,483,408</u>
 Operating (Loss) Income	 59,951	 (96,472)
Depreciation	191,471	177,632
 Change in Net Position	 <u>\$ (131,520)</u>	 <u>\$ (274,104)</u>

Business – Type Activities

Business Type activities decreased the Association’s net fund position by \$308,042. Key elements of the entity-wide performance are as follows:

The total operating revenues increased by \$255,365 from \$1,386,936 in 2017 to \$1,642,301 in 2018.

The total operating expenditures increased by \$292,204 from \$1,504,255 in 2017 to \$1,796,459 in 2018. (Refer to the Statement of Revenues, Expenses and Changes in Fund Net Position 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 \$308,042 in 2018.

The Association designates internally designated funds for accounting and reporting purposes. These internal funds can be found as supplementary information on pages 38 - 53 of the financial statements. The change in net position was the following for the Association’s internally designated funds in 2017: \$(105,089) for the General Fund, \$8,245 for the Recreation Fund, \$(10,230) for the Debt Certificates Fund, \$0 for the Debt Service Reserve Fund, and \$(200,968) for the Capital Projects Fund.

General Fund Budgetary Highlights

During the 2018 Budget year, the Association did not revise the annual operating budget.

Operating revenues were \$1,642,301 which was \$119,063 under (unfavorable) budget. Operating expenses were \$1,796,459, which was \$90,137 under (favorable) budget. The net budget variance was an unfavorable \$28,926.

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, 2018 and 2017 was \$4,217,682 and \$4,163,598, respectively, as summarized below:

	2018	2017
Construction in Progress	\$ 8,675	\$ 8,675
Buildings, Net	3,878,978	3,962,998
Vehicles, Net	31,449	104,925
Furniture & Fixtures, Net	4,508	5,559
Improvements, Net	246,420	53,449
Office Equipment, Net	47,652	27,992
Capital Assets, net	<u>\$ 4,217,682</u>	<u>\$ 4,163,598</u>

Debt Administration

As of May 31, 2018, the Association has \$413,549 of debt certificates, net of premiums and discounts outstanding, of which \$80,000 is due currently. These debt certificates were issued during the year ended May 31, 2013. Debt certificates of \$420,000, bond premiums of \$1,649, and bond discounts of \$(8,100) are outstanding as of May 31, 2018.

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, 2018

	Business Type Activities
ASSETS	
Cash	\$ 240,642
Accounts Receivable	6,688
Capital Assets	
Capital Assets Not Being Depreciated	8,675
Capital Assets, Net of Depreciation	4,209,007
Total Capital Assets	<u>4,217,682</u>
TOTAL ASSETS	<u>4,465,012</u>
DEFERRED OUTFLOWS	
IMRF Deferred Outflows	153,603
IMRF Plan Year Adjustments	20,548
TOTAL DEFERRED OUTFLOWS	<u>174,151</u>
LIABILITIES	
Due Within One Year	
Accounts Payable	47,059
Accrued Interest	1,000
Accrued Payroll	57,171
Unearned Revenue	103,188
Funds Held on Behalf of Others	27,667
Debt Certificates Payable	80,000
Due in More Than One Year	
Debt Certificates Payable (Net of Premium and Discount)	333,549
Net Pension Liability	117,874
TOTAL LIABILITIES	<u>767,508</u>
DEFERRED INFLOWS	
IMRF Deferred Inflows	89,256
TOTAL DEFERRED INFLOWS	<u>89,256</u>
NET POSITION	
Net Investment in Capital Assets	3,804,133
Restricted Amounts:	
Debt Service	100,000
Recreation	25,000
Unrestricted Amounts	(146,734)
TOTAL NET POSITION	<u><u>\$ 3,782,399</u></u>

See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Statement of Activities
For The Year Ended May 31, 2018

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	\$ 1,758,203	\$ 677,783	\$ 196,777	\$ (883,643)
Interest on Long-Term Debt	15,618	0	0	(15,618)
Total Business Type Activities	<u>\$ 1,773,821</u>	<u>\$ 677,783</u>	<u>\$ 196,777</u>	<u>\$ (899,261)</u>
GENERAL REVENUES				
Member Contributions				762,028
Interest Income				2,766
Miscellaneous Income				<u>2,947</u>
TOTAL GENERAL REVENUES				<u>767,741</u>
CHANGE IN NET POSITION				(131,520)
NET POSITION, BEGINNING OF YEAR				<u>3,913,919</u>
END OF YEAR				<u>\$ 3,782,399</u>

See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Statement of Fund Net Position
May 31, 2018

	Business Type Activities
ASSETS	
Cash	\$ 240,642
Accounts Receivable	6,688
Due from Other Funds	<u>115,203</u>
TOTAL ASSETS	<u>362,533</u>
TOTAL DEFERRED OUTFLOWS	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>362,533</u>
LIABILITIES	
Accounts Payable	47,059
Accrued Payroll	57,171
Due To Other Funds	115,203
Unearned Revenue	103,188
Funds Held on Behalf of Others	<u>27,667</u>
TOTAL LIABILITIES	<u>350,288</u>
TOTAL DEFERRED INFLOWS	<u>0</u>
FUND NET POSITION	
Restricted Amounts:	
Debt Service	100,000
Recreation	25,000
Unrestricted Amounts	<u>(112,755)</u>
TOTAL FUND NET POSITION	<u>12,245</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.	4,217,682
IMRF Deferred Outflows are not recorded on the fund financial statements.	153,603
IMRF Plan Year Adjustments are not recorded on the fund financial statements.	20,548
Debt Certificates Payable are reported in the Government-Wide Financial Statements but are not reported in the fund financial statements.	(420,000)
IMRF Net Pension Liability is not reported on the fund financial statements.	(117,874)
IMRF Deferred Inflows are not recorded on the fund financial statements.	(89,256)
Discount on Debt Issue is not reported as an asset in the fund financial statements.	8,100
Premium on Debt Issue is not reported as a liability in the fund financial statements.	(1,649)
Accrued Interest on Debt is not recorded in the fund financial statements.	<u>(1,000)</u>
NET POSITION	<u><u>\$ 3,782,399</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, 2018

	Business Type Activities
OPERATING REVENUES	
Member District Contributions	\$ 762,028
Program Fees	677,783
Donations	196,777
Interest Income	2,766
Miscellaneous Income	2,947
TOTAL OPERATING REVENUES	<u>1,642,301</u>
OPERATING EXPENSES	
Office	49,116
Building	78,130
Bus	49,748
Payroll	1,046,101
Program	233,469
Insurance and Safety Training	24,896
Professional Services	87,649
Professional Enrichment	15,415
Capital Expenditures	211,185
Debt Service Fees	750
TOTAL OPERATING EXPENSES	<u>1,796,459</u>
OPERATING LOSS	(154,158)
NON-OPERATING EXPENSES	
Principal Payments	(138,116)
Interest Payments	(15,768)
TOTAL NON-OPERATING EXPENSES	<u>(153,884)</u>
CHANGE IN FUND NET POSITION	(308,042)
FUND NET POSITION, BEGINNING OF YEAR	<u>320,287</u>
END OF YEAR	<u><u>\$ 12,245</u></u>

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, 2018

Net Change in Fund Net Position (Statement of Revenues, Expenses, and Changes in Fund Net Position)	\$ (308,042)
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.	(191,471)
The purchase of capital assets is considered an expense in the fund financial statements.	245,555
The change in the net pension liability is not considered an expense in the fund financial statements.	13,387
Adjustments for the IMRF plan year are not considered an expense in the fund financial statements.	1,490
Payments of debt principal are treated as an expense in the fund financial statements.	80,000
Payments of capital lease principal are treated as an expense in the fund financial statements.	58,116
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)
Pension-related amounts are not treated as an expense in the fund financial statements	
Changes in the IMRF Deferred Outflows	50,444
Changes in the IMRF Deferred Inflows	(79,859)
The change in accrued interest expense is not recorded in the fund financial statements.	<u>150</u>
Change in Net Position of Business Type Activities (Statement of Activities)	<u><u>\$ (131,520)</u></u>

See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Statement of Cash Flows
For The Year Ended May 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Members and Participants	\$ 1,519,060
Interest Received	2,766
Cash Paid to Suppliers and Employees	<u>(1,782,807)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(260,981)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Payments	(138,116)
Interest Payments	<u>(15,768)</u>
NET CASH USED IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(153,884)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(414,865)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>655,507</u>
END OF YEAR	<u><u>\$ 240,642</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating Loss	<u>\$ (154,158)</u>
Adjustment to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Changes in Certain Assets and Liabilities:	
Accounts Receivable	(6,688)
Accounts Payable	(12,981)
Accrued Payroll	18,036
Unearned Revenue	(120,475)
Funds Held on Behalf of Others	<u>15,285</u>
Total Adjustments	<u>(106,823)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u><u>\$ (260,981)</u></u>

See Accompanying Notes To The Financial Statements

Lincolnway Special Recreation Association
Notes To The Financial Statements
For The Year Ended May 31, 2018

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 basic 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, 2018

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.

**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

MAJOR FUND

The Association reports the following major business type fund:

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

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.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond May 31, 2018 are recorded as prepaid items.

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

K. Compensated Absences

Association employees are entitled to vacation and sick leave in varying amounts.

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.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Continued)

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.

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.

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.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. GASB Pronouncements (Continued)

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.

Upon implementation of GASB 68, the District has also implemented GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.

NOTE 2 – CASH AND CASH EQUIVALENTS

A. Deposits

At May 31, 2018, the carrying amount of the Association's deposits was \$240,642 and the bank balance was \$212,454. The deposits are categorized in accordance with risk factors created by governmental reporting standards. Reported within the deposits held at May 31, 2018, the Association maintained a balance of \$43,853 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, 2018

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 \$191,471.

	Balance May 31, 2017	Additions	Dispositions	Balance May 31, 2018
Assets Not Subject to Depreciation				
Construction in Progress	\$ 8,675	\$ 0	\$ 0	\$ 8,675
Assets Subject to Depreciation				
Buildings	4,201,055	0	0	4,201,055
Vehicles	291,688	4,995	0	296,683
Furniture and Fixtures	11,189	0	0	11,189
Improvements	56,876	203,708	0	260,584
Office Equipment	92,237	36,852	0	129,089
Total Assets	4,661,720	245,555	0	4,907,275
Less: Accumulated Depreciation				
Building	(238,057)	(84,020)	0	(322,077)
Vehicles	(186,763)	(78,471)	0	(265,234)
Furniture and Fixtures	(5,630)	(1,051)	0	(6,681)
Improvements	(3,427)	(10,737)	0	(14,164)
Office Equipment	(64,245)	(17,192)	0	(81,437)
	<u>(498,122)</u>	<u>(191,471)</u>	<u>0</u>	<u>(689,593)</u>
Net Capital Assets	\$ 4,163,598	\$ 54,084	\$ 0	\$ 4,217,682

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, 2018:

	Balance May 31, 2017	New Debt	Principal Paid	Balance May 31, 2018	Amount Due Within One Year
Debt Certificates					
Series 2013A	\$ 500,000	\$ 0	\$ (80,000)	\$ 420,000	\$ 80,000
Bond Premiums	1,979	0	(330)	1,649	
Bond Discounts	(9,720)	0	1,620	(8,100)	
Total	\$ 492,259	\$ 0	\$ (78,710)	\$ 413,549	

**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018**

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, 2018 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 80,000	\$ 12,000	\$ 92,000
2020	80,000	10,000	90,000
2021	85,000	7,800	92,800
2022	85,000	5,250	90,250
2023	90,000	2,700	92,700
	<u>\$ 420,000</u>	<u>\$ 37,750</u>	<u>\$ 457,750</u>

NOTE 5 – 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, 2018:

<u>Agency</u>	<u>Regular Contributions</u>		<u>Quarter Cent Fee</u>	
	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>
Frankfort Park District	\$ 145,799	\$ 145,799	\$ 18,225	\$ 18,225
Manhattan Park District	53,575	53,575	6,697	6,697
Mokena Park District	190,486	191,425	23,810	23,928
New Lenox Park District	244,572	244,575	30,572	30,572
Peotone Park District	17,063	17,063	2,133	2,133
Wilmington Park District	24,459	24,921	3,057	3,115
	<u>\$ 675,954</u>	<u>\$ 677,358</u>	<u>\$ 84,494</u>	<u>\$ 84,670</u>

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**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018**

NOTE 6 – 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, 2017 and the statement of revenues and expenses for the period ending December 31, 2017.

Assets	\$	21,149,057
Deferred Outflows of Resources - Pension		427,851
Liabilities		5,677,098
Deferred Inflows of Resources - Pension		(5,600)
Member Balances		15,905,410
Revenues		37,960,432
Expenditures	\$	36,867,147

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, 2018**

NOTE 7 – 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 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, 2018 through January 1, 2019:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
1. Property					
Property/Bldg/Contents				PDRMA	P070117
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 Public Entity Property	
Flood, Zones A & V	\$1,000	\$1,000,000	\$200,000,000/occurrence/annual aggregate	Reinsurance Program (PEPIP)	
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/occurrence/annual aggregate		
Auto Physical Damage					
Comprehensive and Collision	\$1,000	\$1,000,000	Included		
Course of Construction	\$1,000	Included	\$25,000,000		
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	03-582-80-45
Seasonal employees	\$1,000	\$9,000	\$1,000,000	Fire Insurance Co.	
Blanket bond	\$1,000	\$24,000	\$2,000,000		
2. Workers Compensation	N/A	\$500,000	Statutory	PDRMA	WC010118
Employers' Liability		\$500,000	\$3,500,000 Employers Liability	Government Entities Mutual (GEM) Safety National	GEM-0003-A18001 SP4058065

**Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018**

NOTE 7 – 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	L010118
Auto Liability	None	\$500,000	\$21,500,000/occurrence	Reinsurers: GEM	GEM-0003-
Employment Practices	None	\$500,000	\$21,500,000/occurrence	Great American	A18001
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	OB010118
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	\$50,000 hourly sublimit/\$50,000 forensic expense/\$150,000 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	Member-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, 2018**

NOTE 7 – 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, 2017 and the statement of revenues and expenses for the period ending December 31, 2017. The Lincolnway Special Recreation Association’s portion of the overall equity of the pool is 0.016% or \$7,079.

Assets	\$	65,528,169
Deferred Outflows of Resources - Pension		1,031,198
Liabilities		22,979,446
Deferred Inflows of Resources - Pension		5,600
Member Balances		43,574,321
Revenues		23,353,271
Expenditures	\$	17,402,060

Since 88.70% 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.

NOTE 8 - DEFICIT INTERNAL FUND BALANCES

As of May 31, 2018, the Recreation Fund has a deficit fund balance of \$(138,462), the Debt Certification Fund has a deficit fund balance of \$(15,116) and the Capital Projects Fund has a deficit fund balance of \$(100,087).

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, 2018, the Association holds \$27,667 for general scholarships, designated scholarships and uniforms intended for the benefit of its members.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018

NOTE 10 – RESTRICTED INTERNAL FUND 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” restriction is to prevent default on debt certificate principal interest payments as they become due.

During the fiscal year ended in May 31, 2018, the Association established a \$25,000 restriction in accordance with the donor time and purpose restriction. The \$25,000 “Recreation” restriction is to be used during the fiscal year 2018-19 for the construction of a playground.

NOTE 11 – SUBSEQUENT EVENTS

The date to which events occurring after May 31, 2018, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is November 26, 2018, the date the financial statements were available to be issued.

NOTE 12 – 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.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Lincolnway Special Recreation Association
Notes To The Financial Statements (Continued)
For The Year Ended May 31, 2018

NOTE 12 – PENSION COMMITMENT (CONTINUED)

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 2017 was 8.39 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 2017 was \$51,078.

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, 2018

NOTE 12 – PENSION COMMITMENT (CONTINUED)

Actuarial Valuation Date	December 31, 2017
Measurement Date of the Net Pension Liability	December 31, 2017
Fiscal Year End	May 31, 2018

Membership

Number of	
- Retirees and Beneficiaries	1
- Inactive, Non-Retired Members	17
- Active Members	17
- Total	<u>35</u>

Covered Valuation Payroll	<u>\$ 608,791</u>
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Net Pension Liability

Total Pension Liability/(Asset)	\$ 891,352
Plan Fiduciary Net Position	<u>773,478</u>
Net Pension Liability/(Asset)	<u>\$ 117,874</u>
Plan Fiduciary Net Position as a Percentage of total Pension liability	86.78%
Net Pension Liability as a Percentage of Covered Valuation Payroll	19.36%

Development of the Single Discount Rate as of December 31, 2017

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.31%
Last year December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2109
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate Calculated using December 31, 2016 Measurement Date	7.50%

Total Pension Expense/(Income)	<u>\$ 67,107</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	\$ 124,329	\$ 7,664
2. Changes in assumptions	10,637	35,060
3. Net Difference between projected and actual earnings on pension plan investments	<u>18,637</u>	<u>46,532</u>
4. Total	<u>\$ 153,603</u>	<u>\$ 89,256</u>

Lincolnway Special Recreation Association
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2018

NOTE 12 – PENSION COMMITMENT (CONTINUED)

The District's Plan Year Adjustment of \$20,548 as of May 31, 2018 is reported as a deferred outflow of resources and represents all contributions made subsequent to the measurement date of December 31, 2017.

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

Calendar Year Ended December 31, 2017

A. Total pension liability		
1. Service cost	\$	52,755
2. Interest on the total pension liability		58,122
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the total pension liability		88,927
5. Changes of assumptions		(41,519)
6. Benefit payments, including refunds of employee contributions		(31,022)
7. Net change in total pension liability	\$	127,263
8. Total pension liability – beginning		764,089
9. Total pension liability – ending	\$	<u>891,352</u>
B. Plan fiduciary net position		
1. Contributions – employer	\$	51,079
2. Contributions – employee		27,396
3. Net investment income		106,893
4. Benefit payments, including refunds of employee contributions		(31,022)
5. Other (net transfer)		(13,696)
6. Net change in plan fiduciary net position	\$	140,650
7. Plan fiduciary net position – beginning		632,828
8. Plan fiduciary net position – ending	\$	<u>773,478</u>
C. Net pension liability/(asset)	\$	<u>117,874</u>
D. Plan fiduciary net position as a percentage of the total pension liability		86.78%
E. Covered Valuation Payroll	\$	608,791
F. Net pension liability as a percentage of covered valuation payroll		19.36%

Lincolnway Special Recreation Association
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2018

NOTE 12 – PENSION COMMITMENT (CONTINUED)

Plan Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ 18,657
2019	17,368
2020	10,122
2021	5,384
2022	9,243
Thereafter	<u>3,573</u>
Total	<u>\$ 64,347</u>

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

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014-2016.

Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
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<u>Other Information:</u>	There were no benefit changes during the year.
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**Lincolnway Special Recreation Association
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2018**

NOTE 12 – PENSION COMMITMENT (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65% - 7.35%
Cash Equivalents	1%	2.25%
	100%	

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 3.31%; and the resulting single discount rate is 7.50%.

Lincolnway Special Recreation Association
Notes to the Financial Statements (Continued)
For the Year Ended May 31, 2018

NOTE 12 – PENSION COMMITMENT (CONTINUED)

CALCULATION OF THE SINGLE DISCOUNT RATE (CONTINUED)

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	\$ 1,069,028	\$ 891,352	\$ 751,586
Plan Fiduciary Net Position	773,478	773,478	773,478
Net Pension Liability/(Asset)	<u>\$ 295,550</u>	<u>\$ 117,874</u>	<u>\$ (21,892)</u>

Lincolnway Special Recreation Association
IMRF Pension Disclosures
For The Year Ended May 31, 2018

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%
2016	52,446	52,446	0	547,455	9.58%
2017	51,078 *	51,079	(1)	608,791	8.39%

* Estimated based on contribution rate of 8.39% and covered valuation payroll of \$608,791.

Lincolnway Special Recreation Association
IMRF Pension Disclosures (Continued)
For the Year Ended May 31, 2018

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 2017 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): 26-year closed 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 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% 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 2012). 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 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Morality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Morality Table with adjustments to match current IMRF experience.

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

Lincolnway Special Recreation Association
IMRF Pension Disclosures (Continued)
For The Year Ended May 31, 2018

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,	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 52,755	\$ 49,646	\$ 48,903	\$ 52,806
Interest on the total pension liability	58,122	51,157	46,688	34,979
Changes of benefit terms	0	0	0	0
Difference between expected and actual experience of the total pension liability	88,927	18,615	(12,863)	74,561
Changes of assumptions	(41,519)	0	0	22,141
Benefit payments, including refunds of employee contributions	(31,022)	(25,203)	(21,813)	(31,019)
Net change in total pension liability	127,263	94,215	60,915	153,468
Total pension liability - beginning	764,089	669,874	608,959	455,491
Total pension liability - ending	<u>\$ 891,352</u>	<u>\$ 764,089</u>	<u>\$ 669,874</u>	<u>\$ 608,959</u>
Plan fiduciary net position				
Contributions - employer	\$ 51,079	\$ 52,446	\$ 43,771	\$ 40,639
Contributions - employee	27,396	24,635	23,145	21,720
Net investment income	106,893	37,960	2,581	27,147
Benefit payments, including refunds of employee contributions	(31,022)	(25,203)	(21,813)	(31,019)
Other (net transfer)	(13,696)	(1,234)	2,984	5,705
Net change in plan fiduciary net position	140,650	88,604	50,668	64,192
Plan fiduciary net position - beginning	632,828	544,224	493,556	429,364
Plan fiduciary net position - ending	<u>\$ 773,478</u>	<u>\$ 632,828</u>	<u>\$ 544,224</u>	<u>\$ 493,556</u>
Net pension liability/(asset)	<u>117,874</u>	<u>131,261</u>	<u>125,650</u>	<u>115,403</u>
Plan fiduciary net position as a percent of the total pension liability	86.78%	82.82%	81.24%	81.05%
Covered Valuation Payroll	\$ 608,791	\$ 547,455	\$ 514,345	\$ 482,394
Net pension liability as a percent of covered valuation payroll	19.36%	23.98%	24.43%	23.92%

**Lincolnway Special Recreation Association
 Budgetary Comparison Schedule
 For The Year Ended May 31, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Member District Contributions	\$ 760,449	\$ 760,449	\$ 762,028	\$ 1,579
Program Fees	685,015	685,015	677,783	(7,232)
Donations	311,300	311,300	190,342	(120,958)
Grant Income	0	0	6,435	6,435
Interest Income	1,600	1,600	2,766	1,166
Miscellaneous Income	3,000	3,000	2,947	(53)
TOTAL OPERATING REVENUES	1,761,364	1,761,364	1,642,301	(119,063)
OPERATING EXPENSES				
Office	44,175	44,175	49,116	(4,941)
Building	74,400	74,400	78,130	(3,730)
Bus	38,000	38,000	49,748	(11,748)
Payroll	1,009,721	1,009,721	1,046,101	(36,380)
Program	228,450	228,450	233,469	(5,019)
Insurance and Safety Training	26,500	26,500	24,896	1,604
Professional Services	67,000	67,000	87,649	(20,649)
Professional Enrichment	9,350	9,350	15,415	(6,065)
Capital Outlay	389,000	389,000	211,185	177,815
Debt Service	0	0	750	(750)
TOTAL OPERATING EXPENSES	1,886,596	1,886,596	1,796,459	90,137
OPERATING LOSS	(125,232)	(125,232)	(154,158)	(28,926)
NON-OPERATING EXPENSES				
Principal Payments	(86,900)	(86,900)	(138,116)	(51,216)
Interest Payments	(6,900)	(6,900)	(15,768)	(8,868)
TOTAL NON-OPERATING LOSSES	(93,800)	(93,800)	(153,884)	(60,084)
CHANGE IN NET POSITION	\$ (219,032)	\$ (219,032)	(308,042)	\$ (89,010)
FUND NET POSITION, BEGINNING OF YEAR			320,287	
END OF YEAR			\$ 12,245	

Lincolnway Special Recreation Association
Schedule of Expenses
Budget and Actual
For The Year Ended May 31, 2018

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES				
Office				
Telephone	\$ 11,000	\$ 11,000	\$ 9,262	\$ 1,738
Office Supplies	22,800	22,800	31,171	(8,371)
Gifts	275	275	80	195
Postage	1,200	1,200	1,287	(87)
Printing	8,000	8,000	7,316	684
Advertisement	900	900	0	900
	<u>44,175</u>	<u>44,175</u>	<u>49,116</u>	<u>(4,941)</u>
Building				
Building Maintenance	51,400	51,400	51,200	200
Utilities	23,000	23,000	26,930	(3,930)
	<u>74,400</u>	<u>74,400</u>	<u>78,130</u>	<u>(3,730)</u>
Bus				
Operating Maintenance	37,500	37,500	49,748	(12,248)
Driver Training and Drug Test	500	500	0	500
	<u>38,000</u>	<u>38,000</u>	<u>49,748</u>	<u>(11,748)</u>
Payroll				
Administrative Salaries	297,223	297,223	336,292	(39,069)
Executive Director's Salary	98,983	98,983	110,915	(11,932)
Recreation Supervisor's Salary	58,867	58,867	55,980	2,887
Personnel Salaries	327,287	327,287	331,810	(4,523)
Full Time Overtime	25,000	25,000	28,668	(3,668)
Employee Benefits	147,361	147,361	115,081	32,280
FICA Expense	55,000	55,000	67,355	(12,355)
	<u>1,009,721</u>	<u>1,009,721</u>	<u>1,046,101</u>	<u>(36,380)</u>
Program				
Program Supplies and Costs	213,450	213,450	208,655	4,795
Special Events	3,000	3,000	1,374	1,626
Marketing and Outreach	12,000	12,000	23,440	(11,440)
	<u>228,450</u>	<u>228,450</u>	<u>233,469</u>	<u>(5,019)</u>
Insurance and Safety Training				
Insurance and PDRMA	24,000	24,000	23,171	829
Safety Training	2,500	2,500	1,725	775
	<u>26,500</u>	<u>26,500</u>	<u>24,896</u>	<u>1,604</u>
Professional Services				
Audit	6,000	6,000	5,500	500
Legal	5,000	5,000	4,768	232
Accounting Services	30,000	30,000	35,180	(5,180)
IT Services	2,000	2,000	611	1,389
Miscellaneous	24,000	24,000	41,590	(17,590)
	<u>67,000</u>	<u>67,000</u>	<u>87,649</u>	<u>(20,649)</u>
Subtotal	<u>\$ 1,488,246</u>	<u>\$ 1,488,246</u>	<u>\$ 1,569,109</u>	<u>\$ (80,863)</u>

**Lincolnway Special Recreation Association
Schedule of Expenses (Continued)
Budget and Actual
For The Year Ended May 31, 2018**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES (CONTINUED)				
Professional Enrichment				
Seminars, Conferences, and Dues	\$ 9,000	\$ 9,000	\$ 15,404	\$ (6,404)
Mileage	350	350	11	339
	<u>9,350</u>	<u>9,350</u>	<u>15,415</u>	<u>(6,065)</u>
Capital Outlay				
Architect and Engineer Fees	10,000	10,000	1,515	8,485
Construction Costs	300,000	300,000	199,453	100,547
Vehicle Purchase	66,000	66,000	5,015	60,985
Program Equipment	8,000	8,000	288	7,712
Office Equipment	5,000	5,000	4,914	86
	<u>389,000</u>	<u>389,000</u>	<u>211,185</u>	<u>177,815</u>
Debt Service				
Fees	0	0	750	(750)
	<u>0</u>	<u>0</u>	<u>750</u>	<u>(750)</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,886,596</u>	<u>\$ 1,886,596</u>	<u>\$ 1,796,459</u>	<u>\$ 90,137</u>

Lincolnway Special Recreation Association
 Schedule of Fund Net Position by Entity's Internal Funds
 May 31, 2018

	General	Recreation	Debt Certificates	Debt Service Reserve	Capital Projects	Total
ASSETS						
Cash	\$ 118,367	\$ 22,275	\$ 0	\$ 100,000	\$ 0	\$ 240,642
Accounts Receivable	6,688	0	0	0	0	6,688
Due from Other Funds	115,203	0	0	0	0	115,203
TOTAL ASSETS	<u>240,258</u>	<u>22,275</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>362,533</u>
TOTAL DEFERRED OUTFLOWS						
	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS						
	<u>240,258</u>	<u>22,275</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>362,533</u>
LIABILITIES						
Accounts Payable	31,897	15,162	0	0	0	47,059
Accrued Payroll	42,451	14,720	0	0	0	57,171
Due to Other Funds	0	0	15,116	0	100,087	115,203
Deferred Revenue	0	103,188	0	0	0	103,188
Funds Held on Behalf of Others	0	27,667	0	0	0	27,667
TOTAL LIABILITIES	<u>74,348</u>	<u>160,737</u>	<u>15,116</u>	<u>0</u>	<u>100,087</u>	<u>350,288</u>
TOTAL DEFERRED INFLOWS						
	0	0	0	0	0	0
NET POSITION						
Restricted Amounts	0	25,000	0	100,000	0	125,000
Unrestricted Amounts	165,910	(163,462)	(15,116)	0	(100,087)	(112,755)
TOTAL NET POSITION	<u>165,910</u>	<u>(138,462)</u>	<u>(15,116)</u>	<u>100,000</u>	<u>(100,087)</u>	<u>12,245</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION						
	<u>\$ 240,258</u>	<u>\$ 22,275</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 0</u>	<u>\$ 362,533</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, 2018

	General	Recreation	Debt Certificates	Debt Service Reserve	Capital Projects	Total
OPERATING REVENUES						
Member Districts	\$ 599,462	\$ 77,896	\$ 84,670	\$ 0	\$ 0	\$ 762,028
Program Revenues	115,993	561,790	0	0	0	677,783
Donations	8,037	188,740	0	0	0	196,777
Interest Income	2,766	0	0	0	0	2,766
Miscellaneous Income	2,947	0	0	0	0	2,947
TOTAL OPERATING REVENUES	729,205	828,426	84,670	0	0	1,642,301
OPERATING EXPENSES						
Office	29,150	19,966	0	0	0	49,116
Building	25,537	52,593	0	0	0	78,130
Bus	0	49,748	0	0	0	49,748
Payroll	621,410	424,691	0	0	0	1,046,101
Program	25,323	208,146	0	0	0	233,469
Insurance and Safety	24,896	0	0	0	0	24,896
Professional Services	87,649	0	0	0	0	87,649
Professional Enrichment	15,415	0	0	0	0	15,415
Capital Outlay	4,914	5,303	0	0	200,968	211,185
Debt Service	0	0	750	0	0	750
TOTAL OPERATING EXPENSES	834,294	760,447	750	0	200,968	1,796,459
OPERATING (LOSSES) INCOME	(105,089)	67,979	83,920	0	(200,968)	(154,158)
NON-OPERATING EXPENSES						
Principal Payments	0	(58,116)	(80,000)	0	0	(138,116)
Interest Payments	0	(1,618)	(14,150)	0	0	(15,768)
TOTAL NON-OPERATING EXPENSES	0	(59,734)	(94,150)	0	0	(153,884)
CHANGE IN NET POSITION	(105,089)	8,245	(10,230)	0	(200,968)	(308,042)
NET POSITION, BEGINNING OF YEAR	270,999	(146,707)	(4,886)	100,000	100,881	320,287
END OF YEAR	\$ 165,910	\$ (138,462)	\$ (15,116)	\$ 100,000	\$ (100,087)	\$ 12,245

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Member District Contributions	\$ 598,220	\$ 598,220	\$ 599,462	\$ 1,242
Program Fees	93,500	93,500	115,993	22,493
Donations	40,000	40,000	1,602	(38,398)
Grant Income	0	0	6,435	6,435
Miscellaneous Income	2,500	2,500	2,947	447
Interest Income	1,600	1,600	2,766	1,166
TOTAL OPERATING REVENUES	<u>735,820</u>	<u>735,820</u>	<u>729,205</u>	<u>(6,615)</u>
OPERATING EXPENSES				
Office	27,175	27,175	29,150	(1,975)
Building	22,300	22,300	25,537	(3,237)
Payroll	561,342	561,342	621,410	(60,068)
Program	16,500	16,500	25,323	(8,823)
Insurance and Safety Training	27,000	27,000	24,896	2,104
Professional Services	67,000	67,000	87,649	(20,649)
Professional Enrichment	9,350	9,350	15,415	(6,065)
Capital Outlay	5,000	5,000	4,914	86
TOTAL OPERATING EXPENSES	<u>735,667</u>	<u>735,667</u>	<u>834,294</u>	<u>(98,627)</u>
CHANGE IN NET POSITION	<u>\$ 154</u>	<u>\$ 154</u>	(105,089)	<u>\$ (105,243)</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>270,999</u>	
END OF YEAR			<u>\$ 165,910</u>	

Lincolnway Special Recreation Association
General Fund
Schedule of Expenses
Budget and Actual
For The Year Ended May 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING EXPENSES				
Office				
Telephone	\$ 11,000	\$ 11,000	\$ 9,262	\$ 1,738
Office Supplies	11,400	11,400	16,083	(4,683)
Gifts	275	275	80	195
Postage	1,200	1,200	1,287	(87)
Printing	2,400	2,400	2,438	(38)
Advertisement	900	900	0	900
	<u>27,175</u>	<u>27,175</u>	<u>29,150</u>	<u>(1,975)</u>
Building				
Building Maintenance	15,400	15,400	16,854	(1,454)
Utilities	6,900	6,900	8,683	(1,783)
	<u>22,300</u>	<u>22,300</u>	<u>25,537</u>	<u>(3,237)</u>
Payroll				
Administrative Salaries	223,184	223,184	293,212	(70,028)
Executive Director's Salary	81,984	81,984	89,884	(7,900)
Fulltime Overtime	25,000	25,000	28,668	(3,668)
Recreation Supervisor's Salary	47,094	47,094	44,422	2,672
Employee Benefits	129,080	129,080	97,869	31,211
FICA Expense	55,000	55,000	67,355	(12,355)
	<u>561,342</u>	<u>561,342</u>	<u>621,410</u>	<u>(60,068)</u>
Program				
Program Supplies and Costs	1,500	1,500	509	991
Special Events	3,000	3,000	1,374	1,626
Marketing and Outreach	12,000	12,000	23,440	(11,440)
	<u>16,500</u>	<u>16,500</u>	<u>25,323</u>	<u>(8,823)</u>
Insurance and Safety Training				
Driver Training and Drug Test	500	500	0	500
Insurance and PDRMA	24,000	24,000	23,171	829
Safety Training	2,500	2,500	1,725	775
	<u>27,000</u>	<u>27,000</u>	<u>24,896</u>	<u>2,104</u>
Professional Services				
Audit	6,000	6,000	5,500	500
Legal	5,000	5,000	4,768	232
Accounting Services	30,000	30,000	35,180	(5,180)
IT Services	2,000	2,000	611	1,389
Miscellaneous	24,000	24,000	41,590	(17,590)
	<u>67,000</u>	<u>67,000</u>	<u>87,649</u>	<u>(20,649)</u>
Subtotal	<u>\$ 721,317</u>	<u>\$ 721,317</u>	<u>\$ 813,965</u>	<u>\$ (92,648)</u>

Lincolnway Special Recreation Association
 General Fund
 Schedule of Expenses (Continued)
 Budget and Actual
 For The Year Ended May 31, 2018

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES (CONTINUED)				
Professional Enrichment				
Seminars, Conferences, and Dues	\$ 9,000	\$ 9,000	\$ 15,404	\$ (6,404)
Mileage	350	350	11	339
	<u>9,350</u>	<u>9,350</u>	<u>15,415</u>	<u>(6,065)</u>
Capital Outlay				
Office Equipment	5,000	5,000	4,914	86
	<u>5,000</u>	<u>5,000</u>	<u>4,914</u>	<u>86</u>
TOTAL OPERATING EXPENSES	<u>\$ 735,667</u>	<u>\$ 735,667</u>	<u>\$ 834,294</u>	<u>\$ (98,627)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Member District Contributions	\$ 77,735	\$ 77,735	\$ 77,896	\$ 161
Program Fees	591,515	591,515	561,790	(29,725)
Donations	221,300	221,300	188,740	(32,560)
Miscellaneous	500	500	0	(500)
TOTAL OPERATING REVENUES	<u>891,050</u>	<u>891,050</u>	<u>828,426</u>	<u>(62,624)</u>
OPERATING EXPENSES				
Office	17,000	17,000	19,966	(2,966)
Building	52,100	52,100	52,593	(493)
Bus	37,500	37,500	49,748	(12,248)
Payroll	448,379	448,379	424,691	23,688
Program	211,950	211,950	208,146	3,804
Capital Outlay	74,000	74,000	5,303	68,697
TOTAL OPERATING EXPENSES	<u>840,929</u>	<u>840,929</u>	<u>760,447</u>	<u>80,482</u>
OPERATING INCOME	50,121	50,121	67,979	17,858
NON-OPERATING EXPENSES				
Principal Payments	0	0	(58,116)	(58,116)
Interest Payments	0	0	(1,618)	(1,618)
TOTAL NON-OPERATING LOSSES	<u>0</u>	<u>0</u>	<u>(59,734)</u>	<u>(59,734)</u>
CHANGE IN NET POSITION	<u>\$ 50,121</u>	<u>\$ 50,121</u>	8,245	<u>\$ (41,876)</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>(146,707)</u>	
END OF YEAR			<u>\$ (138,462)</u>	

Lincolnway Special Recreation Association
 Recreation Fund
 Schedule of Expenses
 Budget and Actual
 For The Year Ended May 31, 2018

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES				
Office				
Office Supplies	\$ 11,400	\$ 11,400	\$ 15,088	\$ (3,688)
Printing	5,600	5,600	4,878	722
	<u>17,000</u>	<u>17,000</u>	<u>19,966</u>	<u>(2,966)</u>
Building				
Utilities	16,100	16,100	18,247	(2,147)
Maintenance	36,000	36,000	34,346	1,654
	<u>52,100</u>	<u>52,100</u>	<u>52,593</u>	<u>(493)</u>
Bus				
Operating Maintenance	37,500	37,500	49,748	(12,248)
	<u>37,500</u>	<u>37,500</u>	<u>49,748</u>	<u>(12,248)</u>
Payroll				
Administrative Salaries	74,040	74,040	43,080	30,960
Executive Director's Salary	16,999	16,999	21,031	(4,032)
Recreation Supervisor's Salary	11,773	11,773	11,558	215
Personnel Salaries	327,287	327,287	331,810	(4,523)
Employee Benefits	18,281	18,281	17,212	1,069
	<u>448,379</u>	<u>448,379</u>	<u>424,691</u>	<u>23,688</u>
Program				
Program Supplies and Costs	211,950	211,950	208,146	3,804
	<u>211,950</u>	<u>211,950</u>	<u>208,146</u>	<u>3,804</u>
Capital Outlay				
Vehicle Purchase	66,000	66,000	5,015	60,985
Program Equipment	8,000	8,000	288	7,712
	<u>74,000</u>	<u>74,000</u>	<u>5,303</u>	<u>68,697</u>
TOTAL OPERATING EXPENSES	<u>\$ 840,929</u>	<u>\$ 840,929</u>	<u>\$ 760,447</u>	<u>\$ 80,482</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Member District Contributions	\$ 84,494	\$ 84,494	\$ 84,670	\$ 176
TOTAL OPERATING REVENUES	<u>84,494</u>	<u>84,494</u>	<u>84,670</u>	<u>176</u>
OPERATING EXPENSES				
Debt Service	0	0	750	(750)
TOTAL OPERATING EXPENSES	<u>0</u>	<u>0</u>	<u>750</u>	<u>(750)</u>
OPERATING INCOME	84,494	84,494	83,920	(574)
NON-OPERATING EXPENSES				
Principal Payments	(86,900)	(86,900)	(80,000)	6,900
Interest Payments	(6,900)	(6,900)	(14,150)	(7,250)
TOTAL NON-OPERATING LOSSES	<u>(93,800)</u>	<u>(93,800)</u>	<u>(94,150)</u>	<u>(350)</u>
CHANGE IN NET POSITION	<u>\$ (9,306)</u>	<u>\$ (9,306)</u>	(10,230)	<u>\$ (924)</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>(4,886)</u>	
END OF YEAR			<u>\$ (15,116)</u>	

Lincolnway Special Recreation Association
Debt Certificates Fund
Schedule of Expenses
Budget and Actual
For The Year Ended May 31, 2018

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OPERATING EXPENSES				
Debt Service				
Fees	0	0	750	(750)
	<u>0</u>	<u>0</u>	<u>750</u>	<u>(750)</u>
TOTAL OPERATING EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 750</u>	<u>\$ (750)</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, 2018

	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, 2018

	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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Donations	\$ 50,000	\$ 50,000	\$ 0	\$ (50,000)
TOTAL OPERATING REVENUES	<u>50,000</u>	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>
OPERATING EXPENSES				
Capital Outlay	310,000	310,000	200,968	109,032
TOTAL OPERATING EXPENSES	<u>310,000</u>	<u>310,000</u>	<u>200,968</u>	<u>109,032</u>
CHANGE IN NET POSITION	<u>\$ (260,000)</u>	<u>\$ (260,000)</u>	(200,968)	<u>\$ 59,032</u>
FUND NET POSITION, BEGINNING OF YEAR			<u>100,881</u>	
END OF YEAR			<u>\$ (100,087)</u>	

Lincolnway Special Recreation Association
Capital Projects Fund
Schedule of Expenses
Budget and Actual
For The Year Ended May 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING EXPENSES				
Capital Outlay				
Architect and Engineer Fees	\$ 10,000	\$ 10,000	\$ 1,515	\$ 8,485
Construction Costs	300,000	300,000	199,453	100,547
	<u>310,000</u>	<u>310,000</u>	<u>200,968</u>	<u>109,032</u>
TOTAL OPERATING EXPENSES	<u>\$ 310,000</u>	<u>\$ 310,000</u>	<u>\$ 200,968</u>	<u>\$ 109,032</u>