

WEST SUBURBAN SPECIAL RECREATION
ASSOCIATION, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

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WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

April 29, 2024

Members of the Board of Directors
West Suburban Special Recreation Association
Franklin Park, Illinois

Opinions

We have audited the accompanying financial statements of the West Suburban Special Recreation Association (the Association), Illinois, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the West Suburban Special Recreation Association, Illinois, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Suburban Special Recreation Association, Illinois' basic financial statements. The other supplementary information and supplemental schedules 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis

December 31, 2023

Our discussion and analysis of the West Suburban Special Recreation Association's ("Association") financial performance provides an overview of the Association's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the financial statements which are located in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The Association's net position increased as a result of this year's operations by \$71,168 or 4.4 percent.
- During the year, government-wide revenues totaled \$2,226,587, while expenses totaled \$2,155,419, resulting in the increase to net position of \$71,168.
- The Association's net position totaled \$1,697,521 at December 31, 2023, which included \$952,782 unrestricted net position that may be used to meet the ongoing obligations to participants and creditors.
- At the fund level, an increase was reported this year of \$81,995, or 5.2 percent, resulting in ending fund balance of \$1,644,349.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Association as a whole and present a longer-term view of the Association's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Association's operations in more detail than the government-wide statements.

Government-Wide Financial Statements

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

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis

December 31, 2023

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

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

Fund Financial Statements

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

Governmental Funds

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis

December 31, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Association, assets/deferred outflows exceeded liabilities/deferred inflows by \$1,697,521.

	Net Position	
	12/31/2023	12/31/2022
Current Assets	\$ 1,712,540	1,612,251
Capital Assets	91,785	108,220
Total Assets	1,804,325	1,720,471
Deferred Outflows	499,266	527,093
Total Assets and Deferred Outflows	2,303,591	2,247,564
Long-Term Debt Liabilities	470,780	494,211
Other Liabilities	93,820	70,421
Total Liabilities	564,600	564,632
Deferred Inflows	41,470	56,579
Total Liabilities and Deferred Inflows	606,070	621,211
Net Position		
Net Investment in Capital Assets	(3,036)	4,294
Restricted	747,775	711,997
Unrestricted	952,782	910,062
Total Net Position	1,697,521	1,626,353

A portion of the Association's net position, \$3,036 deficit, reflects its investment in capital assets (for example, leased assets and licensed assets), less any related debt used to acquire those assets that is still outstanding. The Association uses these capital assets to provide services to members; consequently, these assets are not available for future spending. Although the Association's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$747,775, of the Association's net position represents resources that are subject to external restrictions on how they may be used, including restrictions for cash reserves and capital projects. The remaining \$952,782, represents unrestricted net position and may be used to meet the Association's ongoing obligations to program participants and creditors.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis

December 31, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position	
	12/31/2023	12/31/2022
Revenues		
Program Revenues		
Charges for Services	\$ 387,583	293,958
Operating Grants/Contributions	39,825	13,716
General Revenues		
Member Contributions	1,721,722	1,595,465
Interest Income	77,457	23,971
Miscellaneous Income	—	1,354
Total Revenues	<u>2,226,587</u>	<u>1,928,464</u>
Expenses		
Special Recreation	2,148,580	1,992,269
Interest on Long Term Debt	6,839	—
	<u>2,155,419</u>	<u>1,992,269</u>
Change in Net Position	71,168	(63,805)
Net Position - Beginning	<u>1,626,353</u>	<u>1,690,158</u>
Net Position - Ending	<u>1,697,521</u>	<u>1,626,353</u>

Net position of the Association increased by 4.4 percent (\$1,626,353 in 2022 compared to \$1,697,521 in 2023). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$952,782 at December 31, 2023.

Revenues for 2023 totaled \$2,226,587, while the cost of all programs totaled \$2,155,419. This results in an increase of \$71,168. In 2022, revenues of \$1,928,464 were less than expenses of \$1,992,269, resulting in a decrease of \$63,805. The Association reported increases in all revenue categories except miscellaneous income. In addition, there was an increase in expenses of \$163,150 compared to 2022. Member contributions increased \$126,257 or 7.9 percent due to the reduction in the carry over of the partner shares from 2021 to 2022.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

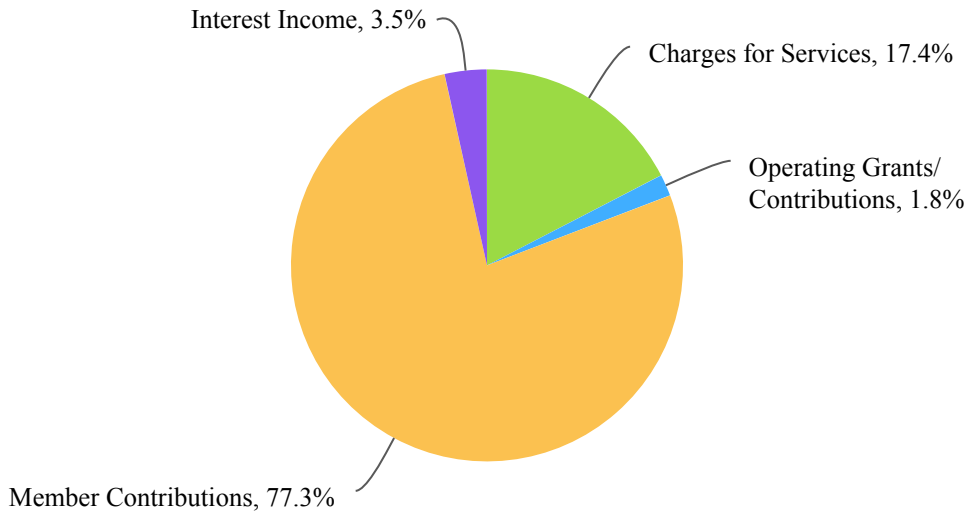
Management's Discussion and Analysis

December 31, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

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

Revenues by Source - Governmental Activities



FINANCIAL ANALYSIS OF THE ASSOCIATION'S OPERATING FUND

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

The Association's operating fund reported ending fund balance of \$1,644,349, which is an increase of \$81,995, or 5.2 percent, from last year's total of \$1,562,354. Of the \$1,644,349 total, \$883,976, or approximately 53.8 percent, of the fund balance constitutes unassigned fund balance.

The Association reported a positive change in fund balance for the year due to revenues exceeding expenditures for the year. These numbers are further outlined on Schedule of Revenues, Expenditures and Changes in Fund Balance.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis

December 31, 2023

BUDGETARY HIGHLIGHTS

The Association did not have any budget amendments during the year. Actual revenues for the year totaled \$2,226,587, compared to final budgeted revenues of \$2,216,708.

Actual expenditures for the year were \$87,094 less than final budgeted amounts (\$2,156,617 actual compared to \$2,243,711 budgeted) with expenditures in salaries and wages, fringe benefits, contractual services, and debt service being under budget.

CAPITAL ASSETS

The Association's investment in capital assets as of December 31, 2023 was \$91,785 (net of accumulated depreciation).

	Capital Assets	
	Net of Depreciation/Amortization	
	2023	2022
Leased Assets - Vehicles	<u>\$ 91,785</u>	<u>108,220</u>

This year's major additions included:

Leased Assets - Vehicles	<u>\$ 11,295</u>
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Additional information on the Association's capital assets can be found in Note 3 of this report.

LONG-TERM OBLIGATIONS

Debt Administration

At year-end, the Association had total outstanding debt of \$94,821 as compared to \$103,926 the previous year, a decrease of 8.8 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2023	2022
Leases Payable	<u>\$ 94,821</u>	<u>103,926</u>

Additional information on the Association's long-term debt can be found in Note 3 of this report.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis

December 31, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time these financial statements were prepared WSSRA had returned to normal programming levels as compared to 2019. We expect to see more normal programming throughout the 2024 fiscal year and we expect the financials will match this.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Association's finances for all those with an interest in the Association's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Office of the Executive Director, 2915 Maple Street, Franklin Park, Illinois 60131.

BASIC FINANCIAL STATEMENTS

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Statement of Net Position

December 31, 2023

See Following Page

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Statement of Net Position

December 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 1,659,658
Receivables - Net	40,284
Inventories	300
Prepays	12,298
Total Current Assets	<u>1,712,540</u>
Noncurrent Assets	
Capital Assets	
Depreciable/Amortizable	167,441
Accumulated Depreciation/Amortization	<u>(75,656)</u>
Total Noncurrent Assets	<u>91,785</u>
Total Assets	<u>1,804,325</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>499,266</u>
Total Assets and Deferred Outflows of Resources	<u>2,303,591</u>

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

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 68,191
Leases Payable	25,629
Total Current Liabilities	<u>93,820</u>
Noncurrent Liabilities	
Net Pension Liability - IMRF	401,588
Leases Payable	69,192
Total Noncurrent Liabilities	<u>470,780</u>
Total Liabilities	564,600
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	41,470
Total Liabilities and Deferred Inflows of Resources	<u>606,070</u>
NET POSITION	
Net Investment in Capital Assets	(3,036)
Restricted	
Capital Replacement	690,707
Cash Reserves	57,068
Unrestricted	<u>952,782</u>
Total Net Position	<u><u>1,697,521</u></u>

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2023

	Program Revenues			Net (Expenses)/ Revenues
	Expenses	Charges for Services	Operating Grants/ Contributions	
Governmental Activities				
Special Recreation	\$ 2,148,580	387,583	39,825	(1,721,172)
Interest on Long-Term Debt	6,839	—	—	(6,839)
	<u>2,155,419</u>	<u>387,583</u>	<u>39,825</u>	<u>(1,728,011)</u>
		General Revenues		
		Member Contributions	1,721,722	
		Interest Income	77,457	
			<u>1,799,179</u>	
		Change in Net Position		71,168
		Net Position - Beginning		<u>1,626,353</u>
		Net Position - Ending		<u><u>1,697,521</u></u>

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2023

ASSETS	
Cash and Investments	\$ 1,659,658
Receivables - Net	40,284
Inventories	300
Prepays	<u>12,298</u>
 Total Assets	 <u><u>1,712,540</u></u>
 LIABILITIES	
 Accounts Payable	 <u>68,191</u>
 FUND BALANCES	
 Nonspendable	 12,598
Restricted	747,775
Unassigned	<u>883,976</u>
Total Fund Balances	<u><u>1,644,349</u></u>
 Total Liabilities and Fund Balances	 <u><u>1,712,540</u></u>

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities
December 31, 2023**

Total Governmental Fund Balances	\$ 1,644,349
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	91,785
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	457,796
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Net Pension Liability - IMRF	(401,588)
Leases Payable	<u>(94,821)</u>
Net Position of Governmental Activities	<u><u>1,697,521</u></u>

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
For the Fiscal Year Ended December 31, 2023**

Revenues	
Member District Contributions	\$ 1,721,722
Program Fees	132,247
Accommodations	86,955
Donations	77,224
Grants	39,825
Program and Transportation Support	76,055
Transportation Fees	15,102
Interest Income	77,457
Total Revenues	<u>2,226,587</u>
Expenditures	
Special Recreation	
Salaries and Wages	1,257,894
Fringe Benefits	389,937
Contractual Services	320,481
Supplies and Materials	122,688
Capital Outlay	37,648
Debt Service	
Principal Retirement	21,130
Interest and Fiscal Charges	6,839
Total Expenditures	<u>2,156,617</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	69,970
Other Financing Sources	
Debt Issuance	<u>12,025</u>
Net Change in Fund Balance	81,995
Fund Balance - Beginning	<u>1,562,354</u>
Fund Balance - Ending	<u><u>1,644,349</u></u>

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ 81,995
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.	
Capital Outlay	11,295
Depreciation Expense	(24,266)
Disposals - Cost	(41,579)
Disposals - Accumulated Depreciation	38,115
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(12,718)
The issuance of long-term debt provides current financial resources to governmental funds, While the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Change in Net Pension Liability - IMRF	9,221
Issuance of Debt	(12,025)
Retirement of Debt	<u>21,130</u>
Changes in Net Position of Governmental Activities	<u><u>71,168</u></u>

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Suburban Special Recreation Association (Association) was formed in 1976 to provide recreation programs to area residents with special needs. The Association is comprised of eight park districts and four Villages: Berwyn Park District, Village of Elmwood Park, Park District of Forest Park, Park District of Franklin Park, Village of Harwood Heights, Norridge Park District, North Berwyn Park District, Village of North Riverside, Park District of Oak Park, River Forest Park District, Veterans Park District and Village of Riverside. The major portion of the funding comes from assessments of the member districts. By cooperating, the partner communities consolidate their resources and populations, and hire staff who are trained to work with special populations. Each partner community appoints one representative to the Association's Board of Directors.

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

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the Association as pension trust funds and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The Association's basic financial statements include both government-wide (reporting the Association as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the Association are reported as governmental activities.

In the Statement of Net Position, the Association's activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets, deferred outflows and receivables as well as long-term debt, deferred inflows and obligations. The Association's net position is reported in three parts: net investment in capital assets, restricted net position and unrestricted net position. The Association first utilizes restricted resources to finance qualifying activities.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The government-wide Statement of Activities reports both the gross and net cost of the Association's special recreation function, which is supported by general revenues (member contributions, interest income and miscellaneous revenue). The Statement of Activities reduces gross expenses (including depreciation/amortization) by related program revenues and operating grants/contributions. Program revenues must be directly associated with the special recreation function. Operating grants/contributions include operating-specific grants. The net cost of the special recreation function is normally covered by the general revenues (member contributions, interest income and miscellaneous revenue).

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

Fund Financial Statements

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

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

The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

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

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

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

Cash and Investments

For purpose of the Statement of Net Position, the Association's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Association categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Association's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Prepays/Inventories

Prepays and inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepays are recorded as expenditures when consumed rather than when purchased.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$15,000, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expenses as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Association as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Depreciation/amortization on all assets is computed and recorded using the straight-line method of depreciation/amortization over the following estimated useful lives:

Licensed Vehicles	5 -15 Years
Intangible Leased Assets	5 -15 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents a consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components, if applicable:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if applicable.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption 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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The budgetary information presented is approved by the Association Board of Directors for use as an operating budget. All budgetary data has been prepared on the cash basis of accounting, which does not differ materially from the modified accrual basis which is consistent with generally accepted accounting principles.

The level of control where expenditures may not exceed the budget is the fund level of activity. Unspent budgetary amounts lapse at year end, therefore, are not carried over to succeeding years.

NOTE 3 - DETAIL NOTES ON THE ASSOCIATION

DEPOSITS AND INVESTMENTS

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

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON THE ASSOCIATION - Continued

DEPOSITS AND INVESTMENTS - Continued

At year-end, the carrying amount of the Association's deposits totaled \$216,893 and the bank balances totaled \$251,847. Additionally, at year-end, the Association has \$1,442,765 invested in the Illinois Park District Liquid Asset Fund, which has an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Association does not have a formal policy related to interest rate risk. The Association invests its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Association and conforming to all state and local statutes governing the investment of public funds using the 'prudent person' standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association does not have a formal policy related to credit risk. The Association's investments in the Illinois Park District Liquid Asset Fund are rated AAAM by Standard & Poor's.

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

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The Association does not have a formal policy related to custodial credit risk. At December 31, 2023, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Association will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At December 31, 2023, the Association's investments in the Illinois Park District Liquid Asset Fund were not subject to custodial credit risk.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON THE ASSOCIATION - Continued

CAPITAL ASSETS

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

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable/Amortizable Capital Assets				
Leased Assets - Vehicles	\$ 173,503	11,295	41,579	143,219
Licensed Vehicles	24,222	—	—	24,222
	<u>197,725</u>	<u>11,295</u>	<u>41,579</u>	<u>167,441</u>
Less Accumulated Depreciation/Amortization				
Leased Assets - Vehicles	65,283	24,266	38,115	51,434
Licensed Vehicles	24,222	—	—	24,222
	<u>89,505</u>	<u>24,266</u>	<u>38,115</u>	<u>75,656</u>
Total Net Depreciable/Amortizable Capital Assets	<u>108,220</u>	<u>(12,971)</u>	<u>3,464</u>	<u>91,785</u>

Depreciation/amortization expense of \$24,266 was charged to the special recreation function.

LONG-TERM DEBT

Leases Payable

The Association has the following leases outstanding at year end:

Lease	Term Length	Start Date	Payments	Interest Rate
2021 Bus Agreement	48 Months	July 21, 2021	\$12,913 Annually	6.75%
2022 Bus Agreement	36 Months	January 4, 2022	\$14,326 Annually	6.25%
2023 Minivan Agreement	36 Months	October 17, 2023	\$4,380 Annually	6.25%

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON THE ASSOCIATION - Continued

LONG-TERM DEBT - Continued

Leases Payable - Continued

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Principal	Interest	Total Lease Payments
2024	\$ 25,629	5,990	31,619
2025	27,292	4,327	31,619
2026	28,416	2,559	30,975
2027	13,484	842	14,326
Totals	<u>94,821</u>	<u>13,718</u>	<u>108,539</u>

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Net Pension Liability - IMRF	\$ 410,809	—	9,221	401,588	—
Leases Payable	103,926	12,025	21,130	94,821	25,629
	<u>514,735</u>	<u>12,025</u>	<u>30,351</u>	<u>496,409</u>	<u>25,629</u>

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Association considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Association first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON THE ASSOCIATION - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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

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

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Directors; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Directors' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Directors itself or b) a body or official to which the Board of Directors has delegated the authority to assign amounts to be used for specific purposes. The Association's highest level of decision-making authority is the Board of Directors, who is authorized to assign amounts to a specific purpose.

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

Minimum Fund Balance Policy. The Association policy manual states that the unassigned fund balance should represent no less than three months and no more the six month of the next year's budgeted operating expenditures. Balances above the maximum may be committed or assigned to future capital projects or other needs of the Association at the Board's discretion and with their approval.

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

Fund Balances	
Nonspendable	
Prepays	\$ 12,298
Inventories	300
	<u>12,598</u>
Restricted	
Capital Replacement	690,707
Cash Reserves	57,068
	<u>747,775</u>
Unassigned	<u>883,976</u>
Total Fund Balances	<u><u>1,644,349</u></u>

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of December 31, 2023:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 91,785
Less Capital Related Debt:	
Leases Payable	<u>(94,821)</u>
Net Investment in Capital Assets	<u><u>(3,036)</u></u>

NOTE 4 - OTHER INFORMATION

MEMBER CONTRIBUTIONS

Contributions received from members during the 2023 fiscal year were:

Members	Amounts
Berwyn Park District	\$ 143,560
Village of Elmwood Park	122,763
Park District of Forest Park	91,796
Park District of Franklin Park	128,421
Village of Harwood Heights	50,249
Norridge Park District	125,599
North Berwyn Park District	87,894
Village of North Riverside	56,950
Park District of Oak Park	415,051
Veterans Park District	305,830
River Forest Park District	122,809
Village of Riverside	<u>70,800</u>
Total Member Contributions	<u><u>1,721,722</u></u>

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT

Park District Risk Management Agency (PDRMA)

The Association is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since 1992, the Association has been a member of the Park District Risk Management Agency (PDRMA) Property/Casualty Program, a joint risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability and workers compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

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

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

The Association is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigations and settlement, and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Program Council. PDRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Park District Risk Management Agency (PDRMA) - Continued

The following represents a summary of PDRMA's Property/Casualty Program balance sheet at December 31, 2022 and the statement of revenues and expenses for the period ending December 31, 2022. The District's portion of the overall equity of the pool is 0.167% or \$73,742.

Assets	\$ 66,570,393
Deferred Outflows of Resources - Pension	787,406
Liabilities	20,949,149
Deferred Inflows of Resources - Pension	2,223,803
Total Net Position	44,184,847
Operating Revenues	17,464,224
Nonoperating Revenues	(6,820,223)
Expenditures	23,554,952

Since 97.22% 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.

CONTINGENT LIABILITIES

Grants

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

Litigation

From time to time, the Association is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Association attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Association's financial position or results of operations.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The Association contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date). IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit.

Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided. - *Continued.* Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	2
Inactive Plan Members Entitled to but not yet Receiving Benefits	20
Active Plan Members	<u>13</u>
Total	<u><u>35</u></u>

Contributions. As set by statute, the Association's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2023, the Association's contribution was 11.87% of covered payroll.

Net Pension Liability. The Association's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Association contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Association calculated using the discount rate as well as what the Association's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 666,803	401,588	222,966

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 2,964,577	2,553,768	410,809
Changes for the Year:			
Service Cost	72,056	—	72,056
Interest on the Total Pension Liability	215,286	—	215,286
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	239,332	—	239,332
Changes of Assumptions	(2,920)	—	(2,920)
Contributions - Employer	—	102,623	(102,623)
Contributions - Employees	—	38,905	(38,905)
Net Investment Income	—	259,760	(259,760)
Benefit Payments, Including Refunds of Employee Contributions	(62,297)	(62,297)	—
Other (Net Transfer)	—	131,687	(131,687)
Net Changes	461,457	470,678	(9,221)
Balances at December 31, 2023	3,426,034	3,024,446	401,588

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended December 31, 2023, the Association recognized pension expense of \$106,120. At December 31, 2023, the Association reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 386,476	(27,675)	358,801
Change in Assumptions	5,244	(13,795)	(8,551)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	107,546	—	107,546
Total Deferred Amounts Related to IMRF	<u>499,266</u>	<u>(41,470)</u>	<u>457,796</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2024	\$ 192,867
2025	132,944
2026	109,260
2027	22,725
2028	—
Thereafter	<u> </u>
Total	<u><u>457,796</u></u>

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements

December 31, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

The Association has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Association are required to pay 100% of the current premium. However, there is minimal participation. As the Association provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Association has not recorded a liability as of December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
- Budgetary Comparison Schedules
General Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a cash basis which does not differ materially from the modified accrual basis which is consistent with generally accepted accounting principles.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
December 31, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 62,506	\$ 76,132	\$ 13,626	\$ 710,298	10.72%
2016	118,471	160,817	42,346	692,003	23.24%
2017	108,073	108,073	—	698,600	15.47%
2018	118,664	118,664	—	735,670	16.13%
2019	114,960	114,960	—	754,827	15.23%
2020	100,552	179,270	78,718	751,512	23.85%
2021	119,363	119,363	—	769,095	15.52%
2022	99,800	99,800	—	798,393	12.50%
2023	102,623	102,623	—	864,554	11.87%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note:

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2023**

	12/31/2015	12/31/2016
Total Pension Liability		
Service Cost	\$ 64,423	66,389
Interest	99,068	111,368
Differences Between Expected and Actual Experience	28	33,145
Change of Assumptions	—	—
Benefit Payments, Including Refunds of Member Contributions	(1,011)	—
Net Change in Total Pension Liability	162,508	210,902
Total Pension Liability - Beginning	1,289,203	1,451,711
Total Pension Liability - Ending	1,451,711	1,662,613
Plan Fiduciary Net Position		
Contributions - Employer	\$ 76,132	160,817
Contributions - Members	36,039	31,140
Net Investment Income	3,733	61,501
Benefit Payments, Including Refunds of Member Contributions	(1,011)	—
Other (Net Transfer)	26,654	(3,794)
Net Change in Plan Fiduciary Net Position	141,547	249,664
Plan Net Position - Beginning	691,081	832,628
Plan Net Position - Ending	832,628	1,082,292
Employer's Net Pension Liability	\$ 619,083	580,321
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.35%	65.10%
Covered-Employee Payroll	\$ 710,298	692,003
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	87.16%	83.86%

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018, 2020 and 2023. Changes in assumptions related to the demographics were made in 2017.

12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
61,367	67,489	71,872	68,842	67,356	66,609	72,056
126,997	142,461	152,739	173,063	186,945	202,517	215,286
29,175	(33,080)	88,503	14,475	5,162	(39,935)	239,332
(12,347)	40,946	—	(23,918)	—	—	(2,920)
—	(4,141)	(21,352)	(41,181)	(39,305)	(49,295)	(62,297)
205,192	213,675	291,762	191,281	220,158	179,896	461,457
1,662,613	1,867,805	2,081,480	2,373,242	2,564,523	2,784,681	2,964,577
1,867,805	2,081,480	2,373,242	2,564,523	2,784,681	2,964,577	3,426,034
108,073	118,664	114,960	179,270	119,363	99,800	102,623
31,437	33,105	33,967	33,818	34,609	35,928	38,905
120,757	25,242	172,533	222,762	318,253	(200,645)	259,760
—	(4,141)	(21,352)	(41,181)	(39,305)	(49,295)	(62,297)
(8,135)	(2,266)	40,143	6,459	(12,567)	1,220	131,687
252,132	170,604	340,251	401,128	420,353	(112,992)	470,678
1,082,292	1,334,424	1,505,028	1,845,279	2,246,407	2,666,760	2,553,768
1,334,424	1,505,028	1,845,279	2,246,407	2,666,760	2,553,768	3,024,446
533,381	576,452	527,963	318,116	117,921	410,809	401,588
71.44%	72.31%	77.75%	87.60%	95.77%	86.14%	88.28%
698,600	735,670	754,827	751,512	769,095	798,398	864,554
76.35%	78.36%	69.94%	42.33%	15.33%	51.45%	46.45%

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2023

(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2022)

	12/31/23		Actual	12/31/22
	Budgeted Amounts			Actual
	Original	Final		Actual
Revenues				
Member District Contributions	\$ 1,721,752	1,721,752	1,721,722	1,595,465
Program Fees	137,700	137,700	132,247	103,336
Accommodations	101,216	101,216	86,955	101,637
Donations	62,000	62,000	77,224	53,826
Grants	50,000	50,000	39,825	13,716
Program and Transportation Support	113,000	113,000	76,055	12,667
Transportation Fees	25,390	25,390	15,102	22,492
Merchandise Sales	200	200	—	—
Interest Income	5,200	5,200	77,457	23,971
Miscellaneous Income	250	250	—	1,354
Total Revenues	2,216,708	2,216,708	2,226,587	1,928,464
Expenditures				
Special Recreation				
Salaries and Wages	1,328,314	1,328,314	1,257,894	1,124,716
Fringe Benefits	399,632	399,632	389,937	341,278
Contractual Services	347,260	347,260	320,481	284,157
Supplies and Materials	105,705	105,705	122,688	83,644
Capital Outlay	—	—	37,648	91,304
Debt Service				
Principal Retirement	21,130	21,130	21,130	28,709
Interest and Fiscal Charges	41,670	41,670	6,839	8,603
Total Expenditures	2,243,711	2,243,711	2,156,617	1,962,411
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(27,003)	(27,003)	69,970	(33,947)
Other Financing Sources				
Debt Issuance	—	—	12,025	69,896
Net Change in Fund Balance	(27,003)	(27,003)	81,995	35,949
Fund Balance - Beginning			1,562,354	1,526,405
Fund Balance - Ending			1,644,349	1,562,354

OTHER SUPPLEMENTARY INFORMATION

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Schedule of Member District Contribution Revenue - Budget and Actual
For the Fiscal Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>	
Member District Contribution Revenues			
Berwyn Park District	\$ 143,560	143,560	143,560
Village of Elmwood Park	122,763	122,763	122,763
Park District of Forest Park	91,796	91,796	91,796
Park District of Franklin Park	128,421	128,421	128,421
Village of Harwood Heights	50,249	50,249	50,249
Norridge Park District	125,599	125,599	125,599
North Berwyn Park District	87,894	87,894	87,894
Village of North Riverside	56,980	56,980	56,950
Park District of Oak Park	415,051	415,051	415,051
Veterans Park District	305,830	305,830	305,830
River Forest Park District	122,809	122,809	122,809
Village of Riverside	70,800	70,800	70,800
Total Member District Contribution Revenues	<u>1,721,752</u>	<u>1,721,752</u>	<u>1,721,722</u>

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2023**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Special Recreation			
Salaries and Wages			
Full Time	\$ 815,310	815,310	841,483
Regular Part Time	59,112	59,112	7,852
Part Time	33,947	33,947	24,652
Seasonal	318,729	318,729	300,130
Accommodations	101,216	101,216	83,777
Total Salaries and Wages	1,328,314	1,328,314	1,257,894
Fringe Benefits			
Medical Coverage	160,000	160,000	163,194
Life Insurance	700	700	—
Pension/FICA	204,432	204,432	202,658
Unemployment	1,000	1,000	—
Mileage Reimbursement	12,000	12,000	8,280
Dues and Registrations	18,000	18,000	13,199
Director Training and Development	1,000	1,000	1,019
Staff Incentive	2,500	2,500	1,587
Total Fringe Benefits	399,632	399,632	389,937
Contractual Services			
Waste Removal	5,300	5,300	3,976
Printing and Binding	14,900	14,900	13,318
Postage and Delivery	6,500	6,500	3,426
Professional Services	40,320	40,320	39,115
Publications and Fees	3,955	3,955	2,740
Risk Management	32,150	32,150	31,848
Telephone	16,820	16,820	16,389
Meeting Supplies	5,400	5,400	5,238
Payroll Service and Bank Fees	22,775	22,775	27,148
Rentals - Transportation	71,500	71,500	52,820
Rentals - Camps	20,300	20,300	18,675
Rentals - Facilities	17,295	17,295	18,311
Rentals - Admissions	20,300	20,300	16,740

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2023

	Budgeted Amounts		Actual Amounts
	Original	Final	
Special Recreation - Continued			
Contractual Services - Continued			
Rentals - Office Space	\$ 46,745	46,745	42,264
Reimbursables	—	—	2,558
Office Machinery Service	17,000	17,000	13,873
Vehicle Service	6,000	6,000	12,042
Total Contractual Services	<u>347,260</u>	<u>347,260</u>	<u>320,481</u>
Supplies and Materials			
Fuels and Lubricants	16,000	16,000	13,052
Cleaning and Household	2,000	2,000	786
Recreation Supplies	21,920	21,920	34,113
Grant Expense	3,750	3,750	24,976
Office Supplies	3,300	3,300	2,200
Clothing	14,575	14,575	11,029
Automotive Supplies	500	500	85
Food and Beverage	14,260	14,260	17,605
Fundraising Supplies	15,400	15,400	11,504
WSSRF Hol Hull	14,000	14,000	7,338
Total Supplies and Materials	<u>105,705</u>	<u>105,705</u>	<u>122,688</u>
Total Special Recreation	<u>2,180,911</u>	<u>2,180,911</u>	<u>2,091,000</u>
Capital Outlay	—	—	37,648
Debt Service			
Principal Retirement	21,130	21,130	21,130
Interest and Fiscal Charges	41,670	41,670	6,839
Total Debt Service	<u>62,800</u>	<u>62,800</u>	<u>27,969</u>
Total Expenditures	<u>2,243,711</u>	<u>2,243,711</u>	<u>2,156,617</u>