

WEST SUBURBAN SPECIAL
RECREATION ASSOCIATION, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

April 15, 2016

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

We have audited the accompanying basic financial statements of the West Suburban Special Recreation Association, Illinois, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Association's basic 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 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 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 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 Association'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 Association'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 financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the West Suburban Special Recreation Association, Illinois, as of December 31, 2015, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

Other 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 individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 individual fund budgetary comparison 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, 2015

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, 2015. Please read it in conjunction with the financial statements which begin on page 3.

FINANCIAL HIGHLIGHTS

- The Association's net position decreased as a result of this year's operations by \$102,543 or 7.8 percent.
- During the year, government-wide revenues totaled \$2,130,342, while expenses totaled \$2,232,885, resulting in the decrease to net position of \$102,543.
- The Association's net position totaled \$1,210,606 at December 31, 2015, which included \$898,513 unrestricted net position that may be used to meet the ongoing obligations to participants and creditors.
- At the fund level, a surplus was reported this year of \$82,724, resulting in ending fund balance of \$712,931, an increase of 13.1 percent.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3 - 4) provide information about the activities of the Association as a whole and present a longer-term view of the Association's finances. Fund financial statements begin on page 5. 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 government wide financial statements can be found on pages 3 - 4 of this report.

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, 2015

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.

The basic governmental fund financial statements can be found on pages 5 - 8 of this report.

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. The notes to the financial statements can be found on pages 9 - 27 of this report.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis December 31, 2015

USING THIS ANNUAL REPORT – Continued

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Association's I.M.R.F. employee pension obligations and budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 28 - 30 of this report.

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 exceeded liabilities by \$1,210,606.

	Net Position	
	Governmental	
	Activities	
	2015	2014
Current Assets	\$ 801,307	694,358
Capital Assets	24,362	45,287
Total Assets	825,669	739,645
Deferred Outflows	1,107,265	-
Total Assets/ Deferred Outflows	1,932,934	739,645
Long-Term Debt	630,082	14,869
Other Liabilities	92,246	68,021
Total Liabilities	722,328	82,890
Net Position		
Net Investment in Capital Assets	9,493	26,548
Restricted	302,600	284,424
Unrestricted	898,513	345,783
Total Net Position	1,210,606	656,755

A portion of the Association's net position, \$9,493 or 0.8 percent, reflects its investment in capital assets (for example, land improvements, construction, machinery and equipment, and licensed vehicles). The Association uses these capital assets to provide services to program participants; consequently, these assets are not available for future spending.

An additional portion, \$302,600 or 25.0 percent, 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, IMRF claims and capital projects. The remaining 74.2 percent, or \$898,513, 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, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Changes in Net Position	
	Governmental	
	Activities	
	2015	2014
Revenues		
Program Revenues		
Charges for Services	\$ 436,300	411,174
Operating Grants/Contrib.	52,627	88,273
General Revenues		
Member Contributions	1,622,543	1,598,564
Interest Income	186	8,458
Miscellaneous Income	18,686	-
Total Revenues	<u>2,130,342</u>	<u>2,106,469</u>
Expenses		
Special Recreation	<u>2,232,885</u>	<u>2,042,538</u>
Change in Net Position	(102,543)	63,931
Net Position - Beginning as Restated	<u>1,313,149</u>	<u>592,824</u>
Net Position - Ending	<u>1,210,606</u>	<u>656,755</u>

Net position of the Association decreased by 7.8 percent (\$1,313,149 restated in 2014 compared to \$1,210,606 in 2015). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$898,513 at December 31, 2015.

Revenues for 2015 totaled \$2,130,342, while the cost of all programs totaled \$2,232,885. This results in a deficit of \$102,543. In 2014, revenues of \$2,106,469 exceeded expenses of \$2,042,538, resulting in a surplus of \$63,931. The Association reported increases in charges for services, member contributions and miscellaneous income for the year. Due to the increase in program revenues and recording net pension liability, expenses also increased compared to 2014, resulting in the overall decrease to net position of \$102,543. Member contributions increased \$23,9792 or 1.5 percent.

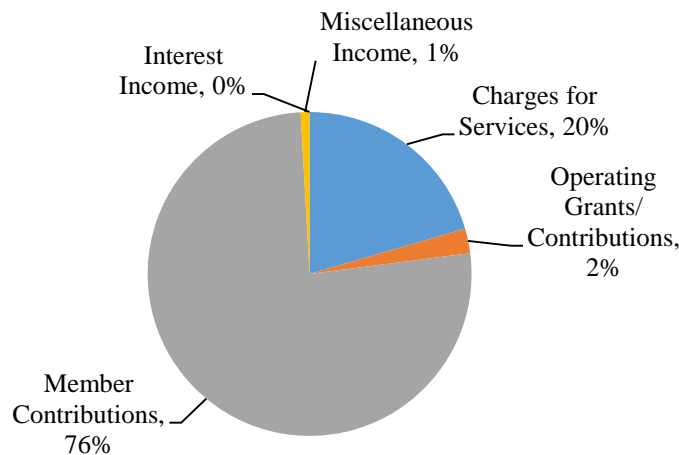
WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis December 31, 2015

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

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

Revenues by Source - Governmental Activities



FINANCIAL ANALYSIS OF THE ASSOCIATION'S OPERATING FUND

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

The Association's operating fund reported ending fund balance of \$712,931, which is \$82,724, or 13.1 percent, higher than last year's total of \$630,207. Of the \$712,931 total, \$401,720, or approximately 56.3 percent, of the fund balance constitutes unassigned fund balance.

The Association reported a positive change in fund balance for the year due to revenues increasing over the prior year by \$23,873 and expenditures increased \$24,544. Donated noncash assets came in over budget for the year by \$52,674 and the Association was able to control costs during the year. These numbers are further outlined on Schedule of Revenues, Expenditures and Changes in Fund Balance on page 30.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Management's Discussion and Analysis December 31, 2015

BUDGETARY HIGHLIGHTS

The Association made no budget amendments during the year. Actual revenues for the year totaled \$2,130,342, compared to budgeted revenues of \$2,062,568. As stated earlier, donated noncash assets were higher than budgeted by \$52,674.

Actual expenditures for the year were \$14,950 lower than budgeted (\$2,047,618 actual compared to \$2,062,568 budgeted) as a result of salaries and wages, fringe benefits, and contractual services costs, being lower than budgeted.

CAPITAL ASSETS

The Association's investment in capital assets as of December 31, 2015 was \$24,362 (net of accumulated depreciation).

	Capital Assets - Net of Depreciation	
	Governmental Activities	
	2015	2014
Licensed Vehicles	\$ 24,362	45,287

There were no additions to capital assets in the current year. Additional information on the Association's capital assets can be found in note 3 on page 14 of this report.

LONG-TERM OBLIGATIONS

During the year the Association paid \$3,870 of the outstanding payable of the installment contract resulting in an ending balance of \$14,869. Additional information on the Association's long-term obligations can be found in note 3 on page 15 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Statement of Net Position
December 31, 2015**

ASSETS

Current Assets	
Cash and Investments	\$ 780,759
Receivables - Net of Allowances	11,937
Prepays	8,611
Total Current Assets	<u>801,307</u>
Noncurrent Assets	
Capital Assets	
Depreciable Capital Assets	80,524
Accumulated Depreciation	<u>(56,162)</u>
Total Noncurrent Assets	<u>24,362</u>
Total Assets	<u>825,669</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	<u>1,107,265</u>
Total Assets and Deferred Inflows of Resources	<u>1,932,934</u>

LIABILITIES

Current Liabilities	
Accounts Payable	61,914
Accrued Payroll	21,151
Other Payables	5,311
Installment Contract Payable	3,870
Total Current Liabilities	<u>92,246</u>
Noncurrent Liabilities	
Net Pension Liability	619,083
Installment Contract Payable	10,999
Total Noncurrent Liabilities	<u>630,082</u>
Total Liabilities	<u>722,328</u>

NET POSITION

Net Investment in Capital Assets	9,493
Restricted	
IMRF Claim	15,130
Capital Replacement	236,702
Cash Reserves	50,768
Unrestricted	<u>898,513</u>
Total Net Position	<u>1,210,606</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, 2015

	Program Revenues		Net (Expenses)/ Revenues
	Charges for Services	Operating Grants/ Contributions	
Expenses			
Governmental Activities			
Special Recreation	<u>\$ 2,232,885</u>	<u>436,300</u>	<u>52,627</u>
			(1,743,958)
General Revenues			
Member Contributions			1,622,543
Interest Income			186
Miscellaneous Income			<u>18,686</u>
			<u>1,641,415</u>
Change in Net Position			(102,543)
Net Position - Beginning as Restated			<u>1,313,149</u>
Net Position - Ending			<u><u>1,210,606</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, 2015**

ASSETS	
Cash and Investments	\$ 780,759
Receivables - Net of Allowances	
Accounts	11,937
Prepays	<u>8,611</u>
 Total Assets	 <u><u>801,307</u></u>
 LIABILITIES	
Accounts Payable	61,914
Accrued Payroll	21,151
Other Payables	<u>5,311</u>
Total Liabilities	<u>88,376</u>
 FUND BALANCES	
Nonspendable	8,611
Restricted	302,600
Unassigned	<u>401,720</u>
Total Fund Balances	<u>712,931</u>
 Total Liabilities and Fund Balances	 <u><u>801,307</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, 2015**

Total Governmental Fund Balances	\$ 712,931
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.	24,362
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Change in Deferred Items - IMRF	1,107,265
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Net Pension Liability	(619,083)
Installment Contract Payable	<u>(14,869)</u>
Net Position of Governmental Activities	<u><u>1,210,606</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, 2015**

Revenues	
Member District Contributions	\$ 1,622,543
Program Fees	199,545
Accommodations	104,079
Donations	439
Grants	52,627
Donated Noncash Assets	52,674
Program and Transportation Support	73,423
Transportation Fees	5,855
Merchandise Sales	285
Interest Income	186
Miscellaneous Income	18,686
Total Revenues	<u>2,130,342</u>
Expenditures	
Special Recreation	
Salaries and Wages	1,209,742
Fringe Benefits	319,533
Contractual Services	333,404
Supplies and Materials	89,416
Donated Noncash Assets Expenditures	52,674
Capital Outlay	38,979
Debt Service	
Principal Retirement	3,870
Total Expenditures	<u>2,047,618</u>
Net Change in Fund Balance	82,724
Fund Balance - Beginning	<u>630,207</u>
Fund Balance - Ending	<u><u>712,931</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
Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended December 31, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 82,724
 Amounts reported for governmental activities in the Statement of Activities are different because:	
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation Expense	(14,719)
 The net effect of various transactions involving capital assets is to decrease net position	
Disposals - Cost	(42,549)
Disposals - Accumulated Depreciation	36,343
 Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(147,251)
 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.	
Additions to Net Pension Liability	(20,961)
Retirement of Debt	<u>3,870</u>
 Change in Net Position of Governmental Activities	 <u>(102,543)</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, 2015

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 nine park districts and two Villages: Berwyn Park District, Clyde Park District, Park District of Forest Park, Park District of Franklin Park, Hawthorne Park District, Norridge Park District, North Berwyn Park District, Park District of Oak Park, River Forest Park District, Village of Elmwood Park and Village of Harwood Heights. 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

In determining the financial reporting entity, the Association complies with the provisions of GASB Statement No. 61, “The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34,” and includes all component units that have a significant operational or financial relationship with the Association. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included 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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of the Association's special recreation function, which is supported by general revenues (member contributions, interest income and miscellaneous revenue). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating 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.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements December 31, 2015

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 reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

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 fair market 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.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Capital Assets – Continued

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 Years
Construction	7 Years
Machinery and Equipment	5 - 20 Years
Licensed Vehicles	5 - 15 Years

Deferred Outflows of Resources

Deferred outflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow or resources (expense) 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, 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.

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

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements December 31, 2015

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.

The Illinois Park District Liquid Asset Fund allows Illinois park districts, forest preserves and joint recreational programs to pool their funds for investment purposes. Although not registered with the SEC, the Illinois Park District Liquid Asset Fund operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in the Illinois Park District Liquid Asset Fund are valued at the share price, the price for which the investment could be sold.

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

At year-end, the carrying amount of the Association's deposits totaled \$18,305 and the bank balances totaled \$39,436. Additionally at year-end, the Association has \$762,454 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 and Poor's.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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. The Association has over 5% of total cash and investments invested in the Illinois Park District Liquid Asset Fund.

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, 2015, 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, 2015, the Association’s investments in the Illinois Park District Liquid Asset Fund were not subject to custodial credit risk.

CAPITAL ASSETS

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

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Licensed Vehicles	\$ 123,073	-	42,549	80,524
Less Accumulated Depreciation				
Licensed Vehicles	77,786	14,719	36,343	56,162
Total Net Depreciable Capital Assets	45,287	(14,719)	6,206	24,362

Depreciation expense of \$14,719 was charged to the special recreation function.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

LONG-TERM DEBT

Installment Contract Payable

The Association has issued an installment contract to provide funds for the purchase of capital assets. Installment contracts currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$24,222 Installment Contract of 2013, due in monthly non-interest payments of \$323 through July 26, 2019.	\$ 18,739	-	3,870	14,869

Long-Term Liability Activity

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Net Pension Liability	\$ 598,122	20,961	-	619,083	-
Installment Contract Payable	18,739	-	3,870	14,869	3,870
	616,861	20,961	3,870	633,952	3,870

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Installment Contract Principal
2016	\$ 3,870
2017	3,870
2018	3,870
2019	3,259
Total	14,869

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

FUND BALANCES/NET POSITION

Fund Balance Classifications

In the governmental fund financial statements, the Association first utilizes restricted resources to finance qualifying activities then unassigned fund balance.

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	<u>\$ 8,611</u>
Restricted	
IMRF Claim	15,130
Capital Replacement	236,702
Cash Reserves	<u>50,768</u>
	<u>302,600</u>
Unassigned	<u>401,720</u>
Total Fund Balances	<u><u>712,931</u></u>

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 3 – DETAIL NOTES ON THE ASSOCIATION – Continued

FUND BALANCES/NET POSITION – Continued

Net Position Classifications

Net investment in capital assets was comprised of the following as of December 31, 2015:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 24,362
Less Capital Related Debt:	
Installment Contract Payable of 2013	<u>(14,869)</u>
Net Investment in Capital Assets	<u>9,493</u>

Net Position Restatement

Net Position was restated due to the implementation of GASB Statement No. 68. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase
Governmental Activities	\$ 656,755	1,313,149	656,394

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

Park District Risk Management Agency (PDRMA)

The Association is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and net income losses. Since June 1, 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 Associations, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability and workers compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect for the period January 1, 2015 through January 1, 2016:

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
PROPERTY			
Property/Bldg/Contents			
All Losses Per Occurrence	\$1,000	\$1,000,000	\$1,000,000,000/All Members
Flood/Except Zones A & V	\$1,000	\$1,000,000	\$250,000,000/Occurrence/Annual Aggregate
Flood, Zones A & V	\$1,000	\$1,000,000	\$200,000,000/Occurrence/Annual Aggregate
Earthquake Shock	\$1,000	\$100,000	\$100,000,000/Occurrence/Annual Aggregate
Auto Physical Damage			
Comprehensive and Collision	\$1,000	\$1,000,000	Included
Course of Construction	\$1,000	Included	\$25,000,000
Business Interruption, Rental			
Income, Tax Income Combined	\$1,000		\$100,000,000/Reported Values
			\$500,000/\$2,500,000/Non-Reported Values
Service Interruption	24 Hours	N/A	\$25,000,000
Boiler and Machinery			\$100,000,000 Equipment Breakdown
Property Damage	\$1,000	\$9,000	Property Damage - Included
Business Income	48 Hours	N/A	Included
Fidelity and Crime	\$1,000	\$24,000	\$2,000,000/Occurrence
Seasonal Employees	\$1,000	\$9,000	\$1,000,000/Occurrence
Blanket Bond	\$1,000	\$24,000	\$2,000,000/Occurrence
WORKERS COMPENSATION			
Employers Liability	N/A	\$500,000	Statutory
		\$500,000	\$3,500,000 Employers Liability
LIABILITY			
General	None	\$500,000	\$21,500,000/Occurrence
Auto Liability	None	\$500,000	\$21,500,000/Occurrence
Employment Practices	None	\$500,000	\$21,500,000/Occurrence
Public Officials' Liability	None	\$500,000	\$21,500,000/Occurrence
Law Enforcement Liability	None	\$500,000	\$21,500,000/Occurrence
Uninsured/Underinsured Motorists	None	\$500,000	\$1,000,000/Occurrence

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park Association Risk Management Agency (PDRMA) – Continued

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
POLLUTION LIABILITY			
Liability - Third Party	None	\$25,000	\$5,000,000/Occurrence
Property - First Party	\$1,000	\$24,000	\$30,000,000 3 Year Aggregate
OUTBREAK EXPENSE			
Outbreak Expense	24 Hours	N/A	\$15,000 per Day
			\$1,000,000 Aggregate Policy Limit
INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA			
LIABILITY COVERAGE			
Information Security & Privacy			
Liability	None	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Privacy Notification, Costs	None	\$100,000	\$500,000/Occurrence/Annual Aggregate
Regulatory Defense & Penalties	None	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Website Media Content Liability	None	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Cyber Extortion	None	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Data Protection & Business			
Interruption	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
First Party Business Interruption	8 Hours	\$100,000	\$25,000 Hourly Sublimit/\$25,000 Forensic Exp./\$100,000 Dependent Bus. Interruption
VOLUNTEER MEDICAL ACCIDENT			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense and AD&D
			Excess of any other Collectible Insurance
UNDERGROUND STORAGE TANK LIABILITY			
Underground Storage Tank Liability	None	N/A	\$10,000, Follows Illinois Leaking
			Underground Tank Fund
UNEMPLOYMENT COMPENSATION			
Unemployment Compensation	N/A	N/A	Statutory

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.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park Association Risk Management Agency (PDRMA) – Continued

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

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

The following represents a summary of PDRMA’s Property/Casualty Program balance sheet at December 31, 2014 and the statement of revenues and expenses for the period ending December 31, 2014:

Assets	\$62,397,015
Liabilities	21,080,991
Member Balances	41,316,024
Revenues	20,548,979
Expenditures	19,517,301

The Association’s portion of the overall equity in the pool is 0.154% or \$63,500.

Since 96% 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.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements December 31, 2015

NOTE 4 – OTHER INFORMATION – Continued

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

The Association is currently not involved in any lawsuits.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

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

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

Plan Membership. As of December 31, 2015, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>14</u>
Total	<u>18</u>

Contributions. As set by statute, the Association’s Regular Plan Members are required to contribute 4.5% 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 Association’s annual contribution rate for calendar year 2015 was 10.72% of covered payroll.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Plan Descriptions – Continued

Net Pension Liability. The Association’s net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the PR-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate 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. The 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 the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.50%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 818,109	619,083	478,550

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 1,289,203	691,081	598,122
Changes for the Year:			
Service Cost	64,423	-	64,423
Interest on the Total Pension Liability	99,068	-	99,068
Difference Between Expected and Actual Experience of the Total Pension Liability	28	-	28
Changes of Assumptions	-	-	-
Contributions - Employer	-	76,132	(76,132)
Contributions - Employees	-	36,039	(36,039)
Net Investment Income	-	3,733	(3,733)
Benefit Payments, including Refunds of Employee Contributions	(1,011)	(1,011)	-
Other (Net Transfer)	-	26,654	(26,654)
Net Changes	162,508	141,547	20,961
Balances at December 31, 2015	1,451,711	832,628	619,083

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

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

For the year ended December 31, 2015, the Association recognized pension expense of \$168,212. At December 31, 2015, 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	\$ 1,043,516	-	1,043,516
Change in Assumptions	18,860	-	18,860
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	44,889	-	44,889
Total Deferred Amounts Related to IMRF	<u>1,107,265</u>	-	<u>1,107,265</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
2016	\$ 124,413
2017	124,413
2018	124,415
2019	123,656
2020	113,002
Thereafter	<u>497,366</u>
Totals	<u>1,107,265</u>

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Notes to the Financial Statements December 31, 2015

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, no former employees have chosen to stay in the Association's health insurance plan. Therefore, there has been 0% utilization and no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Additionally, the Association had no former employees for which the Association was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Association has not recorded any post-employment benefit liability as of December 31, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Notes to the Required Supplementary Information

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

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2015**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 62,506	\$ 76,132	\$ 13,626	\$ 710,298	10.72%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.0%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2015**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 64,423
Interest	99,068
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	28
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(1,011)</u>
Net Change in Total Pension Liability	162,508
Total Pension Liability - Beginning	<u>1,289,203</u>
Total Pension Liability - Ending	<u><u>1,451,711</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 76,132
Contributions - Members	36,039
Net Investment Income	3,733
Benefit Payments, Including Refunds of Member Contributions	(1,011)
Administrative Expense	<u>26,654</u>
Net Change in Plan Fiduciary Net Position	141,547
Plan Net Position - Beginning	<u>691,081</u>
Plan Net Position - Ending	<u><u>832,628</u></u>
Employer's Net Pension Liability	<u><u>\$ 619,083</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.35%
Covered-Employee Payroll	\$ 710,298
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	87.16%

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2015
(with Comparative Actual Amounts for the Fiscal Year Ended December 31, 2014)**

	12/31/15			12/31/14 Actual
	Budget		Actual	
	Original	Final		
Revenues				
Member District Contributions	\$ 1,622,543	1,622,543	1,622,543	1,598,564
Program Fees	202,550	202,550	199,545	199,805
Accommodations	94,000	94,000	104,079	88,425
Donations	14,796	14,796	439	-
Grants	58,000	58,000	52,627	88,273
Donated Noncash Assets	-	-	52,674	58,140
Program and Transportation Support	56,000	56,000	73,423	60,021
Transportation Fees	6,000	6,000	5,855	4,450
Merchandise Sales	500	500	285	333
Interest Income	179	179	186	8,458
Miscellaneous Income	8,000	8,000	18,686	-
Total Revenues	<u>2,062,568</u>	<u>2,062,568</u>	<u>2,130,342</u>	<u>2,106,469</u>
Expenditures				
Special Recreation				
Salaries and Wages	1,242,261	1,242,261	1,209,742	1,194,414
Fringe Benefits	338,874	338,874	319,533	337,559
Contractual Services	337,753	337,753	333,404	318,832
Supplies and Materials	84,505	84,505	89,416	95,304
Donated Noncash Assets Expenditures	-	-	52,674	58,140
Capital Outlay	59,175	59,175	38,979	14,955
Debt Service				
Principal Retirement	-	-	3,870	3,870
Total Expenditures	<u>2,062,568</u>	<u>2,062,568</u>	<u>2,047,618</u>	<u>2,023,074</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	82,724	83,395
Fund Balance - Beginning			<u>630,207</u>	<u>546,812</u>
Fund Balance - Ending			<u><u>712,931</u></u>	<u><u>630,207</u></u>

OTHER SUPPLEMENTARY INFORMATION

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Schedule of Member District Contribution Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Member District Contribution Revenue			
Berwyn Park District Taxes	\$ 155,001	155,001	155,001
Clyde Park District Taxes	217,776	217,776	217,776
Village of Elmwood Park Taxes	136,767	136,767	136,767
Park District of Forest Park Taxes	96,459	96,459	96,459
Park District of Franklin Park Taxes	131,745	131,745	131,745
Village of Harwood Heights Taxes	51,751	51,751	51,751
Hawthorne Park District Taxes	50,925	50,925	50,925
Norridge Park District Taxes	133,379	133,379	133,379
North Berwyn Park District Taxes	89,690	89,690	89,690
Park District of Oak Park Taxes	419,014	419,014	419,014
River Forest Park District Taxes	140,036	140,036	140,036
Total Member District Contribution Revenue	<u>1,622,543</u>	<u>1,622,543</u>	<u>1,622,543</u>

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Special Recreation			
Salaries and Wages			
Full Time	\$ 623,253	623,253	616,130
Regular Part Time	91,957	91,957	97,132
Part Time	60,295	60,295	58,819
Seasonal	372,756	372,756	333,072
Accommodations	94,000	94,000	104,589
Total Salaries and Wages	1,242,261	1,242,261	1,209,742
Fringe Benefits			
Medical Coverage	112,019	112,019	94,701
Pension/FICA	191,125	191,125	193,086
Mileage Reimbursement	14,000	14,000	12,022
Dues and Registrations	11,980	11,980	10,963
Staff Training	4,300	4,300	4,181
Director Training and Development	1,000	1,000	965
Staff Incentive	4,450	4,450	3,615
Total Fringe Benefits	338,874	338,874	319,533
Contractual Services			
Office Cleaning	4,700	4,700	3,760
Windows and Floors	840	840	650
Waste Removal	2,760	2,760	2,813
Printing and Binding	16,000	16,000	13,837
Postage and Delivery	8,500	8,500	8,466
Professional Services	27,145	27,145	40,893
Publications and Fees	1,480	1,480	1,485
Risk Management	37,860	37,860	35,800
Telephone	11,000	11,000	10,909
Meeting Supplies	2,300	2,300	3,012
Reimbursables	-	-	(301)
Payroll Service and Bank Fees	11,000	11,000	10,610
Rentals - Transportation	89,200	89,200	89,825
Rentals - Camps	21,000	21,000	15,206
Rentals - Facilities	17,050	17,050	12,040
Rentals - Admissions	21,500	21,500	15,903

WEST SUBURBAN SPECIAL RECREATION ASSOCIATION, ILLINOIS

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2015**

	Budget		Actual
	Original	Final	
Special Recreation - Continued			
Contractual Services - Continued			
Rentals - Office Space	\$ 37,012	37,012	38,206
Office Machinery Service	13,406	13,406	12,787
Vehicle Service	15,000	15,000	17,503
Total Contractual Services	337,753	337,753	333,404
Supplies and Materials			
Fuels and Lubricants	19,000	19,000	14,193
Cleaning and Household	200	200	77
Recreation Supplies	15,320	15,320	26,421
Office Supplies	4,200	4,200	5,293
Clothing	11,050	11,050	9,706
Automotive Supplies	200	200	21
Food and Beverage	13,885	13,885	13,471
Fundraising Supplies	20,650	20,650	19,502
WSSRF Hol Hull	-	-	732
Total Supplies and Materials	84,505	84,505	89,416
Donated Noncash Assets Expenditure	-	-	52,674
Total Special Recreation	2,003,393	2,003,393	2,004,769
Capital Outlay	59,175	59,175	38,979
Debt Service			
Principal Retirement	-	-	3,870
Total Expenditures	2,062,568	2,062,568	2,047,618