

SOUTHEAST ASSOCIATION FOR
SPECIAL PARKS AND RECREATION,
ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE SEVEN MONTHS ENDED
DECEMBER 31, 2021

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITOR'S REPORT

May 3, 2022

Members of the Board of Directors
South East Association for Special Parks and Recreation
Downers Grove, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South East Association for Special Parks and Recreation, Illinois, as of and for the seven months ended December 31, 2021, 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 governmental activities, each major fund, and the aggregate remaining fund information of the South East Association for Special Parks and Recreation, Illinois, as of December 31, 2021, and the respective changes in financial position for the seven months 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.

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 and budgetary comparison information, 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 South East Association for Special Parks and Recreation, Illinois' basic financial statements. The other supplementary information and supplemental schedule 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, other supplementary information and supplemental schedule 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

South East Association for Special Parks And Recreation
Management's Discussion and Analysis
December 31, 2021

The South East Association for Special Parks And Recreations provides the following overview and analysis of the Association's financial operations and attached financial statements for the seven months ended December 31, 2021. The following discussion is presented to enable the readers to more fully understand the accompanying audited financial statements. The Association is responsible for the fair and accurate presentation of all financial information, as well as the internal controls and reporting procedures in creating the financial statements. In management's opinion, the financial statements herewith reflect all material aspects of the Association's operations in an accurate, fair and complete manner.

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and follow the guidelines of the Governmental Accounting Standards Board (GASB). In 1999, GASB adopted Statement Number 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." This standard modifies the required reporting for the Association requiring full accrual accounting, including the reporting of all capital assets net of depreciation. The modifications to the Association required the additional reporting of capital assets and depreciation, and long-term debt obligations.

The major components of the financial statements are the overall statement of net position and the overall statement of activities. The statement of net position shows the amount that total Association assets exceed total liabilities, which may be considered the current value of net worth for the Association. The statement of activities reflects the overall operations of the Association for the past year, excluding revenues from taxes from members, interest and miscellaneous items. This demonstrates how effectively the Association operates on a business level model. In simple terms, it shows how the Association would fair as a business, without the support of auxiliary revenues.

The Association's total assets/deferred outflows exceeded total liabilities/deferred inflows by \$3,525,628. At this time, the Association had total capital or infrastructure assets net of depreciation of \$700,680. Restricted net position is \$129,500. The unrestricted net position is \$2,695,448.

Overview of the Financial Statements

The financial statements have three major components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The fund financial statements include the statement of revenues, expenditures and changes in fund balance – budget and actual.

The two main components to the government-wide financial statements are: (1) the Statement of Net Position, and (2) the Statement of Activities. As discussed before, these are the two major statements that are analyzed in terms of obtaining a broad overview of the finances, value and annual operations of the Association.

The Statement of Net Position is a snapshot as of the end of the seven months illustrating the overall value of the Association. The total net position should be a positive number, and can be equated to the Association's total net worth. From year to year, an increase or decrease in the total net position of the Association is one factor in determining the total overall financial performance.

The largest components of the assets are cash of \$3,184,825 and capital assets of \$700,680, which include buildings, vehicles, equipment, and land improvements. These items are depreciated over their useful lives. The largest component of current liabilities is the unearned revenue from other payables of \$86,750. The largest component of noncurrent liabilities is the total OPEB liability of \$142,784.

The Statement of Activities of this report shows the overall expenses and program revenues for services the Association provides. Added to this are the general revenues for member contributions of tax assessments, unrestricted investment earnings, and miscellaneous items to arrive at the total increase or decrease from operations. This amount is added to the total net position at the beginning of the year, to provide the value of the total net position at the end of the year.

Both of the government-wide financial statements may be divided into two components: governmental activities, which are operations of the Association primarily supported by tax revenues, and business-type activities, which are those operations intended to be self-supportive. All of the Association's operations are considered to be governmental activities.

The fund financial statements provide reporting for the Association's operation at a fund level. A fund is a group of related accounts established for a specific purpose to maintain control of resources for that purpose. There are three types of funds: governmental, proprietary, and fiduciary. All of the Association's funds are considered to be governmental.

The focus of governmental fund financial statements is narrower than that of the Association-wide financial statements. The fund financial statements provide a more detailed look at the different operating components that comprise the government-wide financial statements. The focus at the fund level is more on current operations and short-term results, whereas the government-wide reporting allows for a greater understanding of the long-term sustainability of the Association. It is useful to compare the two types of statements for the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance to see how current operations reflect upon the long-range value of the Association.

The notes to the financial statements provide additional information that is needed to gain a full understanding of the Association's financial operations and the reporting on it.

Financial Analysis

The government-wide assets/deferred outflows of the Association total \$4,468,986. The largest portion of the Association's assets consists of cash and investments of \$3,184,825, and the second largest portion reflects capital assets of \$700,680. The total value of buildings, vehicles, equipment, and land improvements is reported net of the total accumulated depreciation on these items. The largest component of the Association's current liabilities is other payables of \$86,750, with total liabilities of \$370,594, which combines current and noncurrent liabilities.

The total net position is \$3,525,628 of which \$700,680 represents the investment in capital assets. In addition, \$129,500 represents an amount restricted for the use of scholarships, wheelchair, and capital reserve. The remaining amount, \$2,695,448, represents the amount of funds the Association would have if all revenues were collected and all other obligations of the Association were satisfied.

The government-wide operations are reflected in the statement of activities which reports the overall expenses and revenues for the Association. The major components of the Association's revenues are the general revenues of \$1,583,452, which consists primarily of property tax revenue levied by its members and contributed to the Association of \$1,551,010. With the addition of charges for services of \$432,534 and operating and grants and contributions of \$347,084 the total government-wide revenues were \$2,363,070. Governmental activities of the Association had \$1,287,632 in expenses, all of which were for special recreation.

The financial analysis of the operations by fund, including a comparison of actual to budget operations, allows for a greater understanding of overall Association operations. The Association adheres to fund accounting to ensure and comply with all finance related legal requirements for special recreation associations. The Association's activity was all recorded within a General Fund. The fund financial statements exclude depreciation expense, which is also not a budgeted item.

The General Fund

The General Fund operating revenues were budgeted at \$1,973,486 and the Fund's actual results were over budget by 3.8 percent (\$75,832). Actual 2021 revenues of \$2,049,318 were an increase of \$167,775 from fiscal year ended May 31, 2021 revenues. The General Fund's operating expenditures were \$84,625 under the budget of \$1,415,056 and capital expenditures were \$76,529 under the budget of \$107,000. The Association's total revenues exceeded expenditures by \$688,416.

Comments

The Association policy of maintaining a year-end fund balance equal to three - six months of operating expenditures was once again met and exceeded during this financial year. This puts the Association in a good financial position for the next fiscal year and beyond.

While revenues for the year were \$75,832 (3.8 percent) more than budgeted, member district contributions were under budget by \$46,601, (2.9%), inclusion fees were under budget by \$9,945 (11.1%), and miscellaneous was under budget by \$4,181 (85.8%). Member district contributions were under budget primarily due to the change from a May 31 to December 31 year end and only reporting seven months of revenues. Inclusion fees were under budget as in person programs were limited due to capacity restrictions during the COVID pandemic. Miscellaneous income was under budget due to the Association not selling a vehicle as planned because the replacement vehicle was delayed due to supply chain issues caused by the COVID pandemic. Expenditures continue to be properly managed and remain well within in budget. Capital expenditures were under budget by \$76,529 due to the delayed delivery of a new vehicle caused by supply chain issues. This expense will roll into the next fiscal year.

Economic Factors and Next Year's Budget and Rates

The Association's Board of Directors consider many factors when setting the 2022 budget. The budget reflects some of the trends and economic indicators of the membership districts and Special Recreation Associations in general. The extent of the impact of COVID-19 on the Association's operations and financial position cannot be determined.

During 2022, the Board will continue to review these indicators and make any adjustments to the budget that is indicated by a significant change in such factors.

Requests for Information

The financial report is designed to provide a general overview of the financial operations of the South East Association for Special Parks and Recreation. Questions concerning any of the information in this report, or requests for additional information, should be sent to the Executive Director, Matthew Corso, South East Association for Special Parks and Recreation, 4500 Belmont, Downers Grove, Illinois, 60515.

FINANCIAL STATEMENTS

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Statement of Net Position
December 31, 2021**

See Following Page

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

Statement of Net Position

December 31, 2021

ASSETS	
Current Assets	
Cash and Investments	\$ 3,184,825
Receivables - Net of Allowances	160,524
Prepays	9,640
Total Current Assets	<u>3,354,989</u>
Noncurrent Assets	
Capital Assets	
Depreciable Capital Assets	1,490,073
Accumulated Depreciation	<u>(789,393)</u>
	700,680
Other Assets	
Net Pension Asset - IMRF	<u>245,376</u>
Total Noncurrent Assets	<u>946,056</u>
Total Assets	4,301,045
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>167,941</u>
Total Assets and Deferred Outflows of Resources	<u>4,468,986</u>

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

LIABILITIES

Current Liabilities	
Accounts Payable	90,241
Accrued Payroll	24,548
Other Payables	86,750
Compensated Absences Payable	5,254
Total Current Liabilities	<u>206,793</u>
Noncurrent Liabilities	
Compensated Absences Payable	21,017
Total OPEB Liability - RBP	142,784
Total Noncurrent Liabilities	<u>163,801</u>
Total Liabilities	<u>370,594</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - IMRF	<u>572,764</u>
Total Liabilities and Deferred Inflows of Resources	<u>943,358</u>

NET POSITION

Investment in Capital Assets	700,680
Restricted - Scholarships	22,500
Restricted - Capital Reserves	107,000
Unrestricted	<u>2,695,448</u>
Total Net Position	<u><u>3,525,628</u></u>

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

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

Statement of Activities

For the Seven Months Ended December 31, 2021

	<u>Program Revenues</u>		Net (Expenses)/ Revenues
	Charges for Services	Operating Grants/ Contributions	
<u>Expenses</u>			
Governmental Activities			
Special Recreation	<u>\$ 1,287,632</u>	<u>432,534</u>	<u>347,084</u>
			(508,014)
General Revenues			
Member Contributions			1,551,010
Interest Income			30,248
Miscellaneous			2,194
			<u>1,583,452</u>
Change in Net Position			1,075,438
Net Position - Beginning			<u>2,450,190</u>
Net Position - Ending			<u>3,525,628</u>

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

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Balance Sheet
December 31, 2021**

ASSETS	
Cash and Investments	\$ 3,184,825
Receivables - Net of Allowances	160,524
Prepays	<u>9,640</u>
Total Assets	<u><u>3,354,989</u></u>
LIABILITIES	
Accounts Payable	90,241
Accrued Payroll	24,548
Other Payables	<u>86,750</u>
Total Liabilities	<u><u>201,539</u></u>
FUND BALANCE	
Nonspendable - Prepays	9,640
Restricted - Scholarships	22,500
Restricted - Capital Reserve	107,000
Unassigned	<u>3,014,310</u>
Total Fund Balance	<u><u>3,153,450</u></u>
Total Liabilities and Fund Balance	<u><u><u>3,354,989</u></u></u>

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

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities**

December 31, 2021

Total Governmental Fund Balances	\$ 3,153,450
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.	700,680
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	245,376
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	(404,823)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Compensated Absences Payable Net Pension Liability - RBP	(26,271) <u>(142,784)</u>
Net Position of Governmental Activities	<u><u>3,525,628</u></u>

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

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balance
For the Seven Months Ended December 31, 2021**

Revenues	
Member District Contributions	\$ 1,551,010
Donations	25,832
Grants	7,500
Registration Fees	323,983
Inclusion Fees	80,055
Fund Development	28,496
Interest Income	30,248
Risk Management	1,500
Miscellaneous	694
Total Revenues	<u>2,049,318</u>
Expenditures	
Operating Expenditures	
Salaries and Wages	817,380
Other Personnel Costs	229,555
Other Operations and Maintenance Costs	144,600
Other General and Administrative Costs	138,896
Total Operating Expenditures	<u>1,330,431</u>
Capital Outlay	<u>30,471</u>
Total Expenditures	<u>1,360,902</u>
Change in Fund Balance	688,416
Fund Balance - Beginning	<u>2,465,034</u>
Fund Balance - Ending	<u><u>3,153,450</u></u>

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

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities**

For the Seven Months Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 688,416
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	(92,203)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	(194,829)
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 Compensated Absences Payable	(712)
Change in Net Pension Liability/(Asset) - IMRF	333,296
Change in Net Pension Liability - RBP	27,718
Debt Retirement	<u>313,752</u>
Changes in Net Position of Governmental Activities	<u>1,075,438</u>

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

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The South East Association for Special Parks and Recreation (the Association) as established in 1976 and is located in Downers Grove, Illinois. The Association operates under a Board of Directors with one director from each member entity. The member entities as of December 31, 2021 were the Park Districts of Clarendon Hills, Darien, Downers Grove, LaGrange, LaGrange Park, Lemont, Lisle, Westmont and Woodridge, plus the Villages of Brookfield, Indian Head Park and Western Springs. The Association provides a variety of services to participating communities within the boundaries of the Association.

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: investment in capital assets, restricted and unrestricted.

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, program revenue and interest income). 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, program revenue and interest income).

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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 balance, 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 and liabilities 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.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

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 fund liability/deferred inflow is incurred.

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 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.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Governmental activities report member assessments as their major receivables.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

Notes to the Financial Statements
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Prepays

Prepays are valued at cost, which approximates market. The costs of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in the financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of more than \$1 to \$250,000, depending on asset class, 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 expensed 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 on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	45 Years
Vehicles	7 Years
Equipment	5 - 20 Years
Land Improvements	20 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position 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.

Compensated Absences

The Association accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the financial statements.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Contributions

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

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

Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.

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.”

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The SEASPAR Board of Directors followed these procedures in establishing the budgetary data reflected in the financial statement.

- The Directors submit to the Member Entity Commissioners and Trustees a proposed operating budget for the upcoming fiscal year commencing June 1.
- The operating budget includes proposed expenses and the means for financing.
- The operating budget is based upon the recommendation of the Director and the SEASPAR Board.
- The Board of Directors has the power to amend the Budget in the same manner as its original enactment. There were no amendments during the year.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

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.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

Notes to the Financial Statements
December 31, 2021

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

At year-end, the carrying amount of the Association's deposits totaled \$2,805,227 and the bank balances totaled \$2,830,371. In addition, the Association has \$379,548 invested in the Illinois Park District Liquid Asset Fund (IPDLAF), 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. It is the policy of the Association to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Association and conforming to all state and local statutes governing the investment of public funds using the 'prudent person' standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association's policy limits its exposure to credit risk by primarily investing in obligations guaranteed by the United States Government of securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. At year-end, IPDLAF is 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's investment policy limits exposure to concentration risk by requiring investments to be diversified by security type and institution. The policy further states that no more than 10% of invested funds shall be placed in a single local institution and at least 90% of available funds shall be maintained in interest-bearing securities whenever feasible. At year-end, the Association does not have any investments over 5 percent of the total 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's investment policy requires collateral of no less than 110% of the fair market value of the amount of funds in excess of federal depository insurance with the collateral held by a third party in the Association's name. At year-end the entire 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. The Association's investment policy does not mitigate custodial credit risk for investments. The Association's investment in IPDLAF is not subject to custodial credit risk.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

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

	Beginning Balances	Additions	Deletions	Ending Balances
Depreciable Capital Assets				
Buildings	\$ 830,512	-	-	830,512
Vehicles	506,365	-	-	506,365
Equipment	60,917	-	-	60,917
Land Improvements	92,279	-	-	92,279
	<u>1,490,073</u>	-	-	<u>1,490,073</u>
Less Accumulated Depreciation				
Buildings	302,444	16,610	-	319,054
Vehicles	256,899	60,796	-	317,695
Equipment	53,834	10,183	-	64,017
Land Improvements	84,013	4,614	-	88,627
	<u>697,190</u>	<u>92,203</u>	-	<u>789,393</u>
Total Net Capital Assets	<u>792,883</u>	<u>(92,203)</u>	-	<u>700,680</u>

Depreciation expense of \$92,203 is charged to the special recreation function in the Statement of Activities.

LONG-TERM DEBT

Loans Payable

The Association entered into loans payable for a paycheck protection program. Loans payable are direct obligations and pledge the full faith and credit of the Association. Loans payable currently outstanding are as follows:

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Loans Payable – Continued

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$313,752 Loan Payable of 2021, due in monthly installments of \$5,363, including interest at 1.00% through May 3, 2026.	\$ 313,752	-	313,752	-

Long-Term Liability Activity

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

	Beginning Balances	Additions	Deductions	Ending Balance	Amounts Due Within One Year
Compensated Absences	\$ 25,559	1,424	712	26,271	5,254
Net Pension Liability/(Asset) - IMRF	87,920	-	333,296	(245,376)	-
Total OPEB Liability - RBP	170,502	-	27,718	142,784	-
Loans Payable	313,752	-	313,752	-	-
	<u>597,733</u>	<u>1,424</u>	<u>675,478</u>	<u>(76,321)</u>	<u>5,254</u>

The Association applied for forgiveness of the Paycheck Protection Program loan with the United States Small Business Association for the Loan Payable of 2021. The Association received notification of forgiveness and the forgiveness is shown as a grant on the Statement of Activities.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

In the financial statements, the Association first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance, as applicable.

	<u>Amount</u>
Fund Balance	
Nonspendable - Prepays	\$ 9,640
Restricted - Scholarships	22,500
Restricted - Capital Reserve	107,000
Unassigned	<u>3,014,310</u>
 Total Fund Balance	 <u><u>3,153,450</u></u>

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's policy manual states that the General Fund should maintain a minimum fund balance equal to 25% of budgeted operating expenditures.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

TEMPORARILY RESTRICTED NET POSITION

The Association receives contributions in addition to property tax revenues from member districts to be used for authorized special recreation expenses. These funds are not returned in full to member districts at the end of each year, instead they are maintained by the Association. At December 31, 2021, the following is temporarily restricted net position available to member districts for the benefit of its citizens with special needs:

<u>Agency</u>	<u>Amount</u>
Scholarships	\$ 22,500

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

Park District Risk Management Agency (PDRMA)

The Park District is a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Members can choose to provide any combination of coverages available to their employees, and pay premiums accordingly. As a member of the PDRMA Health Program, the Park District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and PDRMA Health Program is governed by a contract and by-laws that have been adopted by a resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

The 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, 2021 through January 1, 2022:

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) – Continued

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
PROPERTY			
All Losses Per Occurrence	\$1,000	\$1,000,000	\$1,000,000,000/Occurrence/All Members
Flood/Except Zones A & V	\$1,000	\$1,000,000	\$100,000,000/Occurrence/Annual Aggregate
Flood, Zones A & V	\$1,000	\$1,000,000	\$50,000,000/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
Tax Revenue Interruption	\$1,000	\$1,000,000	\$3,000,000/Reported Values
			\$1,000,000/Non-Reported Values
Business Interruption, Rental Income	\$1,000		\$100,000,000/Reported Values
			\$500,000/\$2,500,000/Non-Reported Values
Off Premises 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			
Workers Compensation	N/A	\$500,000	Statutory
Employers Liability		\$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
Communicable Disease	\$1,000/\$5,000	\$5,000,000	\$250,000/Claim/Aggregate;
			\$5M Aggregate all Members
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			\$1,000,000 Aggregate Policy Limit
Outbreak Suspension	24 Hours	N/A	\$5,000/\$25,000/Day All Locations
			\$150,000/\$500,000 Aggregate
Workplace Violence Suspension	24 Hours	N/A	\$15,000/Day all Locations 5 Day Maximum
Fungus Suspension	24 Hours	N/A	\$15,000/Day all Locations 5 Day Maximum

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) – Continued

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits
INFORMATION SECURITY AND PRIVACY INSURANCE WITH ELECTRONIC MEDIA			
LIABILITY COVERAGE			
Breach Response	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Business Interruption	8 Hours	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Business Interruption due to			
System Failure	8 Hours	\$100,000	\$250,000/Occurrence/Annual Aggregate
Dependent Business Loan	8 Hours	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
Liability	\$1,000	\$100,000	\$2,000,000/Occurrence/Annual Aggregate
eCrime	\$1,000	\$100,000	\$50,000/Occurrence/Annual Aggregate
Criminal Reward	\$1,000	\$100,000	\$50,000/Occurrence/Annual Aggregate
DEADLY WEAPON RESPONSE			
Liability	\$1,000	\$9,000	\$500,000/Occurrence/\$2,500,000 Annual Aggregate
First Party Property	\$1,000	\$9,000	\$250,000/Occurrence as Part of Overall Limit
Crisis Management Services	\$1,000	\$9,000	\$250,000/Occurrence as Part of Overall Limit
Counseling/Funeral Expenses	\$1,000	\$9,000	\$250,000/Occurrence as Part of Overall Limit
Medical Expenses	\$1,000	\$9,000	\$25,000/person/\$500,000 Annual Aggregate
AD&D	\$1,000	\$9,000	\$50,000/person/\$500,000 Annual Aggregate
VOLUNTEER MEDICAL ACCIDENT			
Volunteer Medical Accident	None	\$5,000	\$5,000 Medical Expense 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.

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.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) – Continued

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, 2020 and the statement of revenues and expenses for the period ending December 31, 2020:

Assets	\$76,433,761
Deferred Outflows of Resources - Pension	1,015,561
Liabilities	19,892,387
Deferred Inflows of Resources - Pension	798,816
Total Net Position	56,758,119
Operating Revenues	19,454,155
Nonoperating Revenues	4,109,196
Expenditures	16,158,333

The Association’s portion of the overall equity in the pool is 0.148% or \$84,241.

Since 89.98% 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.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Park District Risk Management Agency (PDRMA) Health Program

On September 1, 2008, the Association became a member of the Park District Risk Management Agency (PDRMA) Health Program, a health insurance pool of Park Districts, special recreation associations, and public service organizations through which medical, vision, dental, life and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit. The pool purchases excess insurance covering single claims over \$250,000. Until January 1, 2001 the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

Members can choose to provide any combination of coverages available to their employees, and pay premiums accordingly.

As a member of the PDRMA Health Program, the Association is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and PDRMA Health Program is governed by a contract and by-laws that have been adopted by a resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

The following represents a summary of PDRMA's Health Program balance sheet at December 31, 2020 and the statement of revenues and expenses for the period ending December 31, 2020:

Assets	\$29,550,609
Deferred Outflows of Resources - Pension	435,241
Liabilities	5,326,323
Deferred Inflows of Resources - Pension	342,350
Total Net Position	24,317,177
Operating Revenues	34,484,852
Nonoperating Revenues	1,999,072
Expenditures	32,395,210

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

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

Notes to the Financial Statements
December 31, 2021

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.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Association’s operations and financial position cannot be determined.

MEMBER AGENCY CONTRIBUTIONS

More than half of the Association’s funding comes from its Member District Contributions. The following is a list of the Member Districts and their respective contributions for the year ended December 31, 2021:

District	Contribution
Clarendon Hills Park District	\$ 86,021
Darien Park District	134,040
Downers Grove Park District	370,472
Community Park District of LaGrange Park	107,380
Park District of LaGrange	56,629
Lemont Park District	139,158
Lisle Park District	189,457
Westmont Park District	131,880
Woodridge Park District	189,553
Village of Brookfield	56,996
Village of Indian Head Park	21,275
Village of Western Springs	68,149
	<u>1,551,010</u>

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

Notes to the Financial Statements
December 31, 2021

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 provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

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, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	22
Active Plan Members	<u>21</u>
Total	<u><u>47</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 seven months ended December 31, 2021, the Association’s contribution was 13.39% of covered payroll.

Net Pension (Asset). The Association’s net pension (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension (asset) was determined by an actuarial valuation as of that date.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

Notes to the Financial Statements December 31, 2021

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, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% - 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

For nondisabled 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.

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:

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

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.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	2.00%
Domestic Equities	39.00%	5.00%
International Equities	15.00%	5.75%
Real Estate	10.00%	5.90%
Blended	10.00%	4.30% - 8.10%
Cash and Cash Equivalents	1.00%	1.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same in 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 District 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.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Association calculated using the discount rate as well as what the Association’s net pension liability/(asset) 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/(Asset)	\$ 233,708	(245,376)	(601,507)

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2020	\$ 3,831,227	3,743,307	87,920
Changes for the Year:			
Service Cost	83,312	-	83,312
Interest on the Total Pension Liability	275,681	-	275,681
Difference Between Expected and Actual Experience of the Total Pension Liability	87,130	-	87,130
Changes of Assumptions	-	-	-
Contributions - Employer	-	133,814	(133,814)
Contributions - Employees	-	44,971	(44,971)
Net Investment Income	-	616,416	(616,416)
Benefit Payments, including Refunds of Employee Contributions	(140,777)	(140,777)	-
Other (Net Transfer)	-	(15,782)	15,782
Net Changes	305,346	638,642	(333,296)
Balances at December 31, 2021	4,136,573	4,381,949	(245,376)

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

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, 2021, the Association recognized pension revenue of \$56,267. At December 31, 2021, the Association reported deferred outflows of 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	\$ 125,325	(82,816)	42,509
Change in Assumptions	42,616	(46,365)	(3,749)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(443,583)	(443,583)
 Total Deferred Amounts Related to IMRF	 <u>167,941</u>	 <u>(572,764)</u>	 <u>(404,823)</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/ (Inflows) of Resources
2022	\$ (93,157)
2023	(154,159)
2024	(96,241)
2025	(63,010)
2026	1,744
Thereafter	<u>-</u>
Total	<u>(404,823)</u>

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Association’s defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general of the Association. RBP is a single-employer defined benefit OPEB plan administered by the Association. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Association Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides Dental, Vision and Life Insurance. The retiree is responsible for the full cost of coverage.

Plan Membership. As of December 31, 2021, the measurement date, 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	-
Active Plan Members	<u>13</u>
Total	<u><u>13</u></u>

Total OPEB Liability

The Association’s total OPEB liability was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial Assumptions and Other Inputs – Continued.

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.06%
Healthcare Cost Trend Rates	6.60% for 2021, Decreasing to an Ultimate Rate of 5.00% for 2031 and Later Years
Retirees' Share of Benefit-Related Costs	100% of Projected Health Insurance Premiums for Retirees

The discount rate was based on a combination of the Expected Long-Term Rate of Return and Plan Assets and the municipal bond rate.

Mortality rates were based on the PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study dated December 14, 2020; age 83 for males, age 87 for females.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at May 31, 2021	<u>\$ 170,502</u>
Changes for the Year:	
Service Cost	1,363
Interest on the Total Pension Liability	2,113
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(24,347)
Benefit Payments	<u>(6,847)</u>
Net Changes	<u>(27,718)</u>
Balance at December 31, 2021	<u>142,784</u>

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

**Notes to the Financial Statements
December 31, 2021**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 2.06%, while the prior valuation used 2.20%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$ 166,994	142,784	123,312

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a varied Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 121,511	142,784	168,945

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. For the year ended December 31, 2021 the Association recognized OPEB revenue of \$20,871.

SOUTH EAST ASSOCIATION OF SPECIAL PARKS AND RECREATION, ILLINOIS

Notes to the Financial Statements
December 31, 2021

NOTE 4 – OTHER INFORMATION – Continued

DEFERRED COMPENSATION PLAN

The Association offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to full-time employees and employees regularly working more than 1,000 hours, permits them to defer a portion of their salary until future years. No discretionary contributions are made by the Association. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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/(Asset)
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability
Retiree Benefit Plan
- Budgetary Comparison Schedule - General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2021

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
5/31/2016	\$ 170,298	\$ 171,442	\$ 1,144	\$ 935,191	18.33%
5/31/2017	163,721	163,850	129	931,822	17.58%
5/31/2018	148,768	156,358	7,590	977,842	15.99%
5/31/2019	155,907	280,907	125,000	1,048,044	26.80%
5/31/2020	137,072	137,072	-	1,026,656	13.35%
5/31/2021	119,085	119,085	-	913,004	13.04%
12/31/2021 *	82,200	82,200	-	613,890	13.39%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	MP-2017 (base year 2015)

Notes:

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

* For the seven months ended.

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

December 31, 2021

	<u>12/31/2015</u>
Total Pension Liability	
Service Cost	\$ 92,165
Interest	180,364
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	37,662
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(17,919)</u>
Net Change in Total Pension Liability	292,272
Total Pension Liability - Beginning	<u>2,367,725</u>
Total Pension Liability - Ending	<u><u>2,659,997</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 171,442
Contributions - Members	42,424
Net Investment Income	8,841
Benefit Payments, Including Refunds of Member Contributions	(17,919)
Other (Net Transfer)	<u>2,984</u>
Net Change in Plan Fiduciary Net Position	207,772
Plan Net Position - Beginning	<u>1,670,302</u>
Plan Net Position - Ending	<u><u>1,878,074</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 781,923</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.60%
Covered Payroll	\$ 935,191
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	83.61%

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 2021. Changes in assumptions related to the demographics were made in 2017.

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
100,289	97,540	92,524	102,888	89,610	83,312
202,404	229,152	234,567	253,856	262,996	275,681
-	-	-	-	-	-
91,330	(121,958)	20,406	(82,827)	30,790	87,130
-	(69,915)	100,744	-	(37,664)	-
(22,853)	(49,141)	(71,091)	(87,957)	(194,460)	(140,777)
371,170	85,678	377,150	185,960	151,272	305,346
2,659,997	3,031,167	3,116,845	3,493,995	3,679,955	3,831,227
3,031,167	3,116,845	3,493,995	3,679,955	3,831,227	4,136,573
163,850	149,345	278,130	156,381	117,236	133,814
86,913	43,725	45,484	48,869	41,248	44,971
133,610	273,366	(71,781)	426,492	457,729	616,416
(22,853)	(49,141)	(71,091)	(87,957)	(194,460)	(140,777)
6,758	(138,627)	26,834	(26,619)	71,792	(15,782)
368,278	278,668	207,576	517,166	493,545	638,642
1,878,074	2,246,352	2,525,020	2,732,596	3,249,762	3,743,307
2,246,352	2,525,020	2,732,596	3,249,762	3,743,307	4,381,949
784,815	591,825	761,399	430,193	87,920	(245,376)
74.11%	81.01%	78.21%	88.31%	97.71%	105.93%
931,822	971,665	1,010,753	1,085,982	916,622	999,361
84.22%	60.91%	75.33%	39.61%	9.59%	(24.55%)

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

Retiree Benefit Plan

Required Supplementary Information

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2021

	5/31/2019	5/31/2020	5/31/2021	12/31/2021*
Total OPEB Liability				
Service Cost	\$ 4,559	4,797	5,296	1,363
Interest	3,956	3,918	3,039	2,113
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	18,442	-
Change of Assumptions or Other Inputs	4,314	25,232	5,877	(24,347)
Benefit Payments	(7,621)	(4,050)	(5,720)	(6,847)
Net Change in Total OPEB Liability	5,208	29,897	26,934	(27,718)
Total OPEB Liability - Beginning	108,463	113,671	143,568	170,502
Total OPEB Liability - Ending	113,671	143,568	170,502	142,784
Covered-Employee Payroll	\$ 1,055,856	1,065,040	925,246	474,523
Total OPEB Liability as a Percentage of Covered-Employee Payroll	10.77%	13.48%	18.43%	30.09%

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 to 2021.

* For the seven months ended.

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Seven Months Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Revenues			
Member District Contributions	\$ 1,597,611	1,597,611	1,551,010
Donations	25,000	25,000	25,832
Grants	-	-	7,500
Registration Fees	215,000	215,000	323,983
Inclusion Fees	90,000	90,000	80,055
Fund Development	22,000	22,000	28,496
Interest Income	17,500	17,500	30,248
Risk Management	1,500	1,500	1,500
Miscellaneous	4,875	4,875	694
Total Revenues	<u>1,973,486</u>	<u>1,973,486</u>	<u>2,049,318</u>
Expenditures			
Operating Expenditures			
Salaries and Wages	857,365	857,365	817,380
Other Personnel Costs	259,696	259,696	229,555
Other Operations and Maintenance Costs	135,280	135,280	144,600
Other General and Administrative Costs	162,715	162,715	138,896
Total Operating Expenditures	<u>1,415,056</u>	<u>1,415,056</u>	<u>1,330,431</u>
Capital Outlay	107,000	107,000	30,471
Total Expenditures	<u>1,522,056</u>	<u>1,522,056</u>	<u>1,360,902</u>
Change in Fund Balance	<u>451,430</u>	<u>451,430</u>	688,416
Fund Balance - Beginning			<u>2,465,034</u>
Fund Balance - Ending			<u><u>3,153,450</u></u>

OTHER SUPPLEMENTARY INFORMATION

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Schedule of Expenditures - Budget and Actual
For the Seven Months Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Operating Expenditures			
Salaries and Wages			
Administrative, Clerical and Bookkeeping	\$ 230,198	230,198	204,436
Program Supervisor, Instructors, and Leaders	621,917	621,917	611,174
Intern Students	5,250	5,250	1,770
	<u>857,365</u>	<u>857,365</u>	<u>817,380</u>
Other Personnel Costs			
Employee Group Insurance	108,821	108,821	88,340
Retirement and FICA Payments	150,725	150,725	141,016
Workers' Compensation Insurance	150	150	199
	<u>259,696</u>	<u>259,696</u>	<u>229,555</u>
Other Operations and Maintenance Costs			
Contractual Services	30,329	30,329	27,224
Rental and Leasing	37,000	37,000	38,879
Travel	5,000	5,000	9,141
Recreation Supplies and Equipment	40,500	40,500	59,795
Day Camp Supplies	5,500	5,500	3,915
Publication and Printing	12,108	12,108	2,748
Postage	4,843	4,843	2,898
	<u>135,280</u>	<u>135,280</u>	<u>144,600</u>
Other General and Administrative Costs			
Legal	6,099	6,099	680
Audit	10,100	10,100	10,100
Computers	51,588	51,588	43,869
Telephone	6,697	6,697	9,020
Education and Training	16,324	16,324	12,893
Background Check	1,495	1,495	685
Dues and Subscriptions	5,293	5,293	5,754
Public Relations	18,000	18,000	12,554
Office Utilities	3,000	3,000	3,544
Office Supplies	4,007	4,007	3,164
Other Office Expenditures	9,873	9,873	9,298
Board Expenditures	239	239	585

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Schedule of Expenditures - Budget and Actual - Continued
For the Seven Months Ended December 31, 2021**

	Budget		Actual
	Original	Final	
Operating Expenditures - Continued			
Other General and Administrative Costs - Continued			
Insurance	\$ 14,000	14,000	20,900
Bank Charges	5,000	5,000	3,846
Fund Development	3,000	3,000	871
Facility Costs	8,000	8,000	1,133
Total Other General and Administrative Costs	162,715	162,715	138,896
Total Operating Expenditures	1,415,056	1,415,056	1,330,431
Capital Outlay			
Capital Replacement Program	107,000	107,000	19,616
Computer Replacement Program	-	-	6,250
Building Improvements	-	-	4,605
Total Capital Outlay	107,000	107,000	30,471
Total Expenditures	1,522,056	1,522,056	1,360,902

SUPPLEMENTAL SCHEDULE

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Assessed Valuation, Tax Rates, Allocations and Extensions - Last Ten Tax Levy Years
December 31, 2021 (Unaudited)**

See Following Page

SOUTH EAST ASSOCIATION FOR SPECIAL PARKS AND RECREATION, ILLINOIS

**Assessed Valuation, Tax Rates, Allocations and Extensions - Last Ten Tax Levy Years
December 31, 2021 (Unaudited)**

	2010	2011	2012
Assessed Valuations			
Clarendon Hills	\$ 536,563,767	494,740,249	462,702,462
Darien	947,151,946	892,768,365	823,047,456
Downers Grove	2,348,156,863	2,210,047,699	2,075,076,440
LaGrange	795,274,788	653,057,314	610,360,800
LaGrange Park	434,868,975	363,522,692	336,131,046
Lemont (2)	-	-	-
Lisle	1,272,955,260	1,201,896,498	1,129,173,097
Westmont	918,135,965	892,294,817	813,421,958
Woodridge	1,225,705,258	1,175,412,790	1,099,898,476
Village of Brookfield (1)	485,312,370	416,941,325	382,214,818
Village of Indian Head Park	182,912,155	145,920,676	133,658,087
Village of Western Springs	781,304,276	636,370,071	594,459,035
Total Assessed Valuations	9,928,341,623	9,082,972,496	8,460,143,675
Tax Rates (per \$100 Assessed Valuation)			
Clarendon Hills	0.0263	0.0284	0.0242
Darien	0.0344	0.0357	0.0369
Downers Grove	0.0160	0.0167	0.0183
LaGrange	0.0400	0.0400	0.0400
LaGrange Park	0.0219	0.0283	0.0306
Lemont (2)	(2)	(2)	(2)
Lisle	0.0385	0.0295	0.0314
Westmont	0.0004	0.0400	0.0400
Woodridge	0.0202	0.0214	0.0224
Village of Brookfield (1)	(1)	(1)	(1)
Village of Indian Head Park	0.0152	0.0205	0.0231
Village of Western Springs	0.0155	0.0199	0.0191
Total Tax Rates (per \$100 Assessed Valuation)	0.2284	0.2804	0.2860
Payments to SEASPAR from Current Tax Collections			
Clarendon Hills	83,167	83,463	83,749
Darien	146,809	150,611	148,972
Downers Grove	363,964	372,837	375,589
LaGrange	123,268	110,171	110,475
LaGrange Park	67,405	61,327	60,840
Lemont (2)	-	-	-
Lisle	197,308	202,761	204,380
Westmont	142,311	150,531	147,229
Woodridge	189,984	198,293	199,082
Village of Brookfield (1)	75,223	70,338	69,181
Village of Indian Head Park	28,351	24,617	24,192
Village of Western Springs	121,102	107,356	107,597
Total Payments to SEASPAR from Current Tax Collections	1,538,892	1,532,305	1,531,286

(1) Began participation as a member effective June 1, 2007 and does not levy a Special Recreation Fund as contributions are made directly from the General Fund.

(2) Began participation as a member effective June 1, 2015.

2013	2014	2015	2016	2017	2018	2019
452,857,701	457,064,142	494,776,287	530,275,995	566,085,216	589,352,671	589,352,671
776,955,566	764,319,906	775,494,934	816,580,984	851,330,759	889,817,758	889,817,758
1,980,665,324	1,985,238,872	2,095,260,496	2,242,789,906	2,365,201,677	2,476,101,910	2,476,101,910
576,935,697	593,796,697	577,064,195	602,373,786	756,807,534	735,844,744	735,844,744
317,519,480	319,016,621	308,453,194	324,888,103	399,852,685	387,326,420	387,326,420
787,960,486	771,174,403	764,660,422	811,154,582	972,780,454	951,997,386	951,997,386
1,078,033,387	1,083,569,058	1,118,094,776	1,191,428,213	1,220,073,970	1,256,746,761	1,256,746,761
770,425,269	751,819,349	767,296,700	812,924,793	857,159,869	887,314,785	887,314,785
1,043,248,243	1,040,722,455	1,072,401,364	1,137,890,528	1,188,220,684	1,246,313,824	1,246,313,824
360,599,223	340,065,226	331,041,900	347,060,816	408,699,522	395,870,051	395,870,051
124,584,548	123,631,035	120,384,081	125,433,381	155,155,702	148,142,238	148,142,238
563,356,546	595,143,879	585,304,846	619,757,713	769,964,494	752,755,358	752,755,358
8,833,141,470	8,825,561,643	9,010,233,195	9,562,558,800	10,511,332,566	10,717,583,906	10,717,583,906
0.0190	0.0121	0.0147	0.0178	0.0178	0.0163	0.0163
0.0358	0.0331	0.0334	0.0325	0.0332	0.0278	0.0278
0.0202	0.0205	0.0199	0.0198	0.0211	0.0205	0.0205
0.0400	0.0391	0.0400	0.0386	0.0326	0.0339	0.0339
0.0292	0.0090	0.0167	0.0285	0.0258	0.0266	0.0266
0.0400	0.0400	0.0400	0.0386	0.0339	0.0381	0.0381
0.0333	0.0371	0.0371	0.0357	0.0348	0.0400	0.0400
0.0400	0.0400	0.0400	0.0400	0.0399	0.0400	0.0400
0.0243	0.0243	0.0251	0.0236	0.0226	0.0221	0.0221
(1)	(1)	(1)	(1)	(1)	(1)	(1)
0.0248	0.0200	0.0214	0.0205	0.0166	0.0179	0.0179
0.0200	0.0190	0.0197	0.0180	0.0141	0.0163	0.0163
0.3266	0.2942	0.3080	0.3136	0.2924	0.2995	0.2995
81,967	82,729	87,724	88,609	86,045	87,872	86,021
140,629	138,342	137,416	136,451	129,402	132,672	134,040
358,504	359,328	371,549	374,770	359,511	369,187	370,472
104,425	107,477	102,313	100,657	115,035	109,714	107,380
57,471	58,056	54,689	54,289	60,778	57,750	56,629
142,621	139,583	135,574	135,544	147,863	141,943	139,158
195,124	196,126	198,238	199,088	185,451	187,381	189,457
139,447	136,079	136,042	135,840	130,288	132,299	131,880
188,828	188,327	190,137	190,142	180,610	185,825	189,553
65,268	61,552	58,694	57,994	62,122	59,024	56,996
22,550	22,377	21,344	20,960	23,584	22,088	21,275
101,968	117,823	109,905	104,766	117,035	109,925	68,149
1,598,802	1,607,799	1,603,625	1,599,110	1,597,724	1,595,680	1,551,010