



**GATEWAY SPECIAL  
RECREATION ASSOCIATION  
BURR RIDGE, ILLINOIS**

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ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019



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**GATEWAY SPECIAL RECREATION ASSOCIATION  
BURR RIDGE, ILLINOIS  
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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Gateway Special  
Recreation Association  
Burr Ridge, Illinois

We have audited the accompanying financial statements of the Gateway Special Recreation Association, Burr Ridge, Illinois (the Association) as of and for the year ended June 30, 2019, and the related notes to financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the Gateway Special Recreation Association, Burr Ridge, Illinois, as of June 30, 2019, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Sikich LLP*

Naperville, Illinois  
February 25, 2020

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

**Gateway Special Recreation Association  
Management's Discussion and Analysis  
June 30, 2019**

The Gateway Special Recreation Association provides the following overview and analysis of the Association's financial operations and attached financial statements for the fiscal year ended June 30, 2019. 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 would require the additional reporting of capital assets and depreciation, and long-term debt obligations, when applicable.

The major components of the financial statements are the overall statement of net position and the statement of revenues, expenses and changes in net position. 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 revenues, expenses and changes in net position reflects the overall operations of the Association for the past year, including 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.

At June 30, 2019, the Association's total assets exceeded total liabilities by \$237,696. The unrestricted net position totaled \$237,696 at June 30, 2019.

### **Overview of the Financial Statements**

The financial statements have two major components: (1) basic financial statements, and (2) notes to the financial statements.

The two main components to the basic financial statements are: (1) the statement of net position, and (2) the statement of revenues, expenses and changes in net position. 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 fiscal year 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 only component of assets is cash of \$241,389. The only component of liabilities is accounts payable of \$3,693.

**Gateway Special Recreation Association  
Management's Discussion and Analysis (Continued)  
June 30, 2019**

**Overview of the Financial Statements (Continued)**

The statement of revenues, expenses and changes in net position on page 4 of this report shows the overall expenses and operating revenues for services the Association provides. Operating revenues include member contributions, fundraising, and donations 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. A decrease in net position does not necessarily mean poor performance, as planned usage of cash on hand or fund reserves will also be reflected here.

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. The notes to the financial statements begin on page 9 of this report.

**Financial Analysis**

The Association's combined net position increased from \$179,386 to \$237,696 as a result of operations in 2019.

Gateway Special Recreation Association  
Statement of Net Position  
June 30, 2019 and 2018

	2019	2018
Cash	\$ 241,389	\$ 184,240
Total Assets	241,389	184,240
Deferred Outflows	0	0
Accounts Payable	3,693	4,854
Total Liabilities	3,693	4,854
Deferred Inflows	0	0
Net Position:		
Unrestricted	237,696	179,386
Total Net Position	\$ 237,696	\$ 179,386

**Gateway Special Recreation Association  
Management's Discussion and Analysis (Continued)  
June 30, 2019**

**Financial Analysis (Continued)**

Gateway Special Recreation Association  
Changes in Net Position  
June 30, 2019 and 2018

	2019	2018
Revenues		
Member Contributions	\$ 534,845	\$ 524,359
Miscellaneous	2,500	0
Interest Income	5,621	2,492
Total Revenues	542,966	526,851
Expenses		
Program Services	484,656	493,102
Total Expenses	484,656	493,102
Increase in Net Position	\$ 58,310	\$ 33,749

**Budgetary Highlights**

The enterprise fund is reported as the only fund, and accounts for the routine program operations of the Association.

For the year ended June 30, 2019, operating revenues in the enterprise fund were \$537,345 which was \$2,500 over budget. Operating expenditures were \$484,656 which was \$32,514 under budget.

**Requests for Information**

The financial report is designed to provide a general overview of the financial operations of the Gateway Special Recreation Association. Questions concerning any of the information in this report, or requests for additional information, should be sent to the Executive Director, Scott Nadeau, York Center Park District, 1609 Luther Avenue, Lombard, Illinois, 60148.



## **BASIC FINANCIAL STATEMENTS**

**GATEWAY SPECIAL RECREATION ASSOCIATION  
BURR RIDGE, ILLINOIS**

**STATEMENT OF NET POSITION**

June 30, 2019

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<b>CURRENT ASSETS</b>	
Cash and cash equivalents	<u>\$ 241,389</u>
Total current assets	<u>241,389</u>
Total assets	<u>241,389</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
None	<u>-</u>
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u>241,389</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	<u>3,693</u>
Total current liabilities	<u>3,693</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
None	<u>-</u>
Total deferred inflows of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u>3,693</u>
<b>NET POSITION</b>	
Unrestricted	<u>237,696</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 237,696</u></u>

See accompanying notes to financial statements.

**GATEWAY SPECIAL RECREATION ASSOCIATION  
BURR RIDGE, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

For the Year Ended June 30, 2019

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<b>OPERATING REVENUES</b>	
Member contributions	\$ 534,845
Miscellaneous	2,500
	<hr/>
Total operating revenues	537,345
	<hr/>
<b>OPERATING EXPENSES</b>	
Contractual services	459,413
One on one service	428
Vehicle fuel, repair and insurance	11,576
Professional services	3,850
Financial assistance	2,562
Insurance	1,610
Transportation fund	4,471
Website IT	675
Miscellaneous	71
	<hr/>
Total operating expenses	484,656
	<hr/>
OPERATING INCOME	52,689
	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	5,621
	<hr/>
Total non-operating revenues (expenses)	5,621
	<hr/>
CHANGE IN NET POSITION	58,310
	<hr/>
NET POSITION, JULY 1	179,386
	<hr/>
NET POSITION, JUNE 30	\$ 237,696
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See accompanying notes to financial statements.

**GATEWAY SPECIAL RECREATION ASSOCIATION  
BURR RIDGE, ILLINOIS**

**STATEMENT OF CASH FLOWS**

For the Year Ended June 30, 2019

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from members and customers	\$ 537,345
Payments to suppliers	<u>(485,817)</u>
Net cash from operating activities	<u>51,528</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
None	<u>-</u>
Net cash from capital and related financing activities	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income received	<u>5,621</u>
Net cash from investing activities	<u>5,621</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	57,149
CASH AND CASH EQUIVALENTS, JULY 1	<u>184,240</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u><u>\$ 241,389</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	<u>\$ 52,689</u>
Adjustments to reconcile operating income to net cash from operating activities	
Changes in assets and liabilities	
Accounts payable	<u>(1,161)</u>
Total adjustments	<u>(1,161)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ 51,528</u></u>

See accompanying notes to financial statements.

**GATEWAY SPECIAL RECREATION ASSOCIATION  
BURR RIDGE, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Gateway Special Recreation Association, Westchester, Illinois (the Association) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Association's accounting policies are described below.

a. Reporting Entity

The Association is duly organized and includes the Park Districts of Burr Ridge, Elmhurst, Oak Brook, Pleasant Dale, Westchester and York Center and the Villages of Countryside, Hinsdale and Willowbrook. The Association is considered a jointly governed organization of the ten governments pursuant to GASB Statement No. 14. The Association operates under the commissioner-director form of government and provides a variety of services to individuals with physical and mental impairments in the member districts.

The purpose of the Association is to provide for the establishment, maintenance and management of joint recreation programs for persons with disabilities of all the participating park districts. Participation in the Association's programs is available to any individual with a disability living in the immediate South Suburban area.

The Association is considered to be a primary government pursuant to GASB Statement No. 14, as amended, since it is legally separate and fiscally independent. These financial statements include all functions, programs, and activities under the control of the Board of Trustees of the Association.

b. Fund Accounting

Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into a single fund.

**GATEWAY SPECIAL RECREATION ASSOCIATION**  
**BURR RIDGE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Fund Accounting (Continued)

Proprietary Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the Association is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the Association has decided that periodic determination of revenues earned, expenses incurred and net income or loss is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary funds operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Association reports unearned revenue on its financial statements. Unearned revenues arise when resources are received by the Association before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Association has a legal claim to resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

d. Investments

Investments are recorded at cost, which approximates fair value.

The Association categorizes the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs. The Association held no investments at fair value at June 30, 2019.

**GATEWAY SPECIAL RECREATION ASSOCIATION**  
**BURR RIDGE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e. Capital Assets

Capital assets are defined by the Association as assets with an initial, individual cost in excess of \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Vehicles	5

f. Net Position

Restricted net position are legally restricted by outside parties for a specific purpose. Since no fund balance policy is in place, the Association's flow of funds assumption defaults to that described in GASB Statement No. 54. This prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first.

g. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**GATEWAY SPECIAL RECREATION ASSOCIATION**  
**BURR RIDGE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Use of Estimates

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

**2. DEPOSITS AND INVESTMENTS**

Illinois Compiled Statutes (ILCS) and the Association's investment policy authorize the Association to make deposits/invest in local government investment pools, passbook savings account, money market mutual funds, certificates of deposits, time deposits and insured account of credit unions whose principal office is in Illinois.

It is the policy of the Association to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Association and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Association's deposits may not be returned to it. The Association's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the Association in the Association's name. Total funds exceeding the deposit insurance limits must have collateral provided as 105% of the fair market value of the net amount of the Association's funds on deposit at each financial institution.

a. Investments

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Association limits its exposure to interest rate risk by structuring the portfolio to provide liquidity. The Association's investment policy does not address interest rate risk to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The Association limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in money market mutual funds.



**GATEWAY SPECIAL RECREATION ASSOCIATION**  
**BURR RIDGE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Association will not be able to recover the value of its investments that are in possession of an outside party. The Association's investment policy does not address custodial risk.

**3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets being depreciated				
Vehicles #1	\$ 43,175	\$ -	\$ -	\$ 43,175
Vehicles #2	15,000	-	-	15,000
Vehicles #3	15,000	-	-	15,000
Total capital assets being depreciated	73,175	-	-	73,175
Less accumulated depreciation				
Vehicles #1	(43,175)	-	-	(43,175)
Vehicles #2	(15,000)	-	-	(15,000)
Vehicles #3	(15,000)	-	-	(15,000)
Total accumulated depreciation	(73,175)	-	-	(73,175)
Total capital assets being depreciated, net	-	-	-	-
<b>CAPITAL ASSETS, NET</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**4. RISK MANAGEMENT**

The Association is exposed to various risks of loss to torts; theft of, damage to and destruction of assets; errors and omissions; employee health, injuries to employees; natural disasters; and employee health.

**GATEWAY SPECIAL RECREATION ASSOCIATION**  
**BURR RIDGE, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**4. RISK MANAGEMENT (Continued)**

Illinois Parks Association Risk Services - Liability

The Association is a member of Illinois Parks Association Risk Services (IPARKS), a self-insurance pool initiated by the Illinois Association of Park Districts. The IPARKS program is designed to provide Illinois Association of Park Districts member agencies with those coverages necessary to properly protect their assets including comprehensive general liability, public official's and employee's liability, automobile liability and property and inland marine coverage. The current policy is in effect through June 30, 2020.

As a participant in IPARKS, the Association is subject to additional assessments for claims activity in excess of premiums previously paid by IPARKS and is eligible for dividends for premiums in excess of claims. During the year ended June 30, 2019, no dividends were declared. There were no additional assessments during the year. There have been no significant reductions in coverage in any program from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in the past year.