

Finance Committee Meeting
Thursday, November 1, 2018, 10:30 a.m.

Present: Bob O'Brien, Hanover Park Park District; Jay Morgan, South Barrington Park District; Christina Ferraro, Prospect Heights Park District; Tom Busby, Elk Grove Park District; Tony LaFrener, Schaumburg Park District; Jim Jarog, Mount Prospect Park District; Michelle Binns, PFM Investments; Darleen Negrillo, Superintendent of Administrative Services; Tracey Crawford, NWSRA Executive Trustee; Miranda Woodard, Accounting Manager, and Jessica Vasalos as Recording Secretary

Meeting was called to order at 10:30 a.m.

Darleen Negrillo introduced herself as the new Superintendent of Administrative Services, and committee members introduced themselves.

NWSRA FY 2018 Summary of Reserves

Executive Director Crawford stated that the committee members were sent packets from the budget lock-in. Packets include a summary of the reserves, which are held at Village Bank in Arlington Heights. Trustee Busby asked about the amount of collateral. Director Crawford will get that information and forward it to the committee.

NWSRA Proposed 2019 Budget Document

Executive Director Crawford presented the 2019 NWSRA proposed budget to the Finance Committee. She explained the large net ending PYE, is due to outstanding expenditures for the programming space at MPPD from the net surplus from the audited FYE 2017. Trustee Crawford instructed the PYE to be decreased by approximately \$88,000 and \$95,000 for the purchase of a vehicle.

Assumptions with Revenue and Expense Analysis

Member district assessments are approved in July; timing of payments will remain the same. Transportation door to door will increase slightly for after-school and day camp due to the addition of additional north and south sites that are planned for day camp. The STAR program has 45 participants and school districts are willing to drive them to a central location. The PURSUIT program is generating funds and sustaining itself. STAR Academy is not yet sustaining itself because it takes more staff, but PURSUIT is subsidizing it. Director Crawford described what is included in non-program revenue. NWSRA is asking for \$350,000 from SLSF grant contributions for program development, transportation, inclusion, scholarships and athletics. NWSRA provides quarterly expenditure reports to the SLSF Board. Trustee LaFrener asked what portion of the non-program revenue increase is coming from PURSUIT and what portion is coming from Mount Prospect. The portions are not broken out by specific

program they are paid by Clearbrook as a whole for building rental space for the PURSUIT program, \$30,000 per site is allocated for rent for PURSUIT.

NWSRA is planning to sell 3 vans at approximately \$1,500.00 total.

Miranda Woodard reported that interest rates have increased more than 2% and stated the amount of budgeted is a conservative approach since we are not sure what the market will produce in the coming year. Trustee Busby asked what the maturing CD amount is. Miranda Woodard responded that the CD's are stair stepped in maturity and the breakdown will be included in Ms. Bins report. Trustee LaFrenere asked for an explanation of operating funds and how often they are used, for the purpose of making sure that the interest on those accounts is the highest possible. The operating funds (money market) are transferred from on a monthly basis to keep our business checking from falling below the fund balance policy. A question was raised as to whether NWSRA checks to see what other banks are offering as far as interest rates. Miranda Woodard responded that the current accounts at Village Bank and Trust are extremely competitive at this time. Executive Director Crawford noted that, in May, the committee can explore different accounts and interest rates.

After the audited surplus amounts calculated, in May 2019, staff hoped to use any surplus before using any investment reserves. At that time, Director Crawford may request \$250,000 from reserves for the Wheeling Park District programming space that will be opening in the fall of 2019.

Snoezelen is bringing in revenue over projections. The Mount Prospect Snoezelen Room will open in 2019.

Director Crawford went over line items with detailed explanation for each. PURSUIT has its own budget for supplies. Mailings are still needed, so postage expenses are incurred. It was noted, that health insurance was presented to the personnel committee. Staff costs will remain the same; however, the deductible will increase from \$1,500 to \$2,000. Trustee Jarog asked if NWSRA allows for opt-outs, which Director Crawford responded no, not at this time, But Darleen will look into the possibly for the future. Superintendent Negrillo stated that PDRMA's rates have gone up very little. Director Crawford indicated that the Personnel Committee reviewed the health insurance and approved that the rates remain unchanged for 2019. Program Development funds are kept for the start of new programs. Trustee O'Brien asked about billboard expenses and with hopes to continue in the future. Full-time staff salaries ranges are reviewed by the Personnel Committee. They also approved a 3% merit pool to be brought to the Board. NWSRA gives reviews on the employee's hiring or promotion anniversary date. Trustee O'Brien asked if NWSRA does mid-term evaluations. Director Crawford replied that NWSRA does but only for new hire employees. Director Crawford touched base on the Part Time staff salary line item increase

which is due to the challenges that NWSRA, as well as was reported that all member districts, to fill part-time staff positions.

This is the last audit with NWSRA's current accounting firm; bids will be sent out, and from that point Lauterbach and Amen will be able to win the bid for one more cycle. Inclusion rovers might be hired during the school year, so Full Time staff time in the field can be reduced.

Director Crawford reviewed the fund balance policy and NWSRA's balances in the related accounts.

PFM Investment Update

Michelle Binns, PFM, reported on increased interest rates that NWSRA accounts are earning compared to last year. Ms. Binns reviewed the status of the CDs. Interest rates have risen in the past 2 years and most of the CDs are earning above 2%. Current CD interest rates range from 2% to 2.25%. An additional rate hike is expected at the end of December. Long-term investment rates have not risen much. Trustee Crawford gave approval for funds of a recently matured CD to be reinvested, since there was enough in the net surplus for Mount Prospect's needs. Based on the rising interest rate predictions, Ms. Binns does not see an issue with Directors Crawford's request for fund in the fall of 2019.

At the conclusion of the Investment Update, Trustee Busby recommended that the Proposed FY 2019 Budget line item interest reflect the actual dollar amount that staff has projected for YE 2018 since interest are not projected to go down anytime in the near future. Executive Director Crawford agreed and made the change.

The contents of the finance committee are approved to be included in the NWSRA Board packet.

Meeting was adjourned at 11:34 a.m.

NWSRA

FY 2018

**Summary of
Reserves**

To: Jay Morgan, NWSRA Finance Committee, Chairman
From: Tracey Crawford, Executive Director
Re: Summary of Reserves
Date: November 1, 2018

Following is a summary of NWSRA Capital and Operating Reserves as of October 26, 2018:

Capital Reserve: \$184,545.20

General Reserve: \$1,478,141.81

Both Reserve accounts are held with Village Bank & Trust in Arlington Heights and are collateralized at to the maximum amount the FDIC requires \$250,000 per account spread out amongst the Village Bank and Trust branch locations.

NWSRA
Proposed
2019 Budget
Document



We exist to provide outstanding opportunities through recreation for children and adults with disabilities.

Date: November 14, 2018

To: Diane Hilgers, Chairman

From: Jay Morgan, Finance Committee Chair

Re: Proposed 2019 Budget

The Finance Committee met on November 1, 2018 to review the NWSRA Proposed 2019 Budget. After review and discussion, the Proposed 2019 Budget, Assumption and Capital Replacement Plan was approved to be presented to the Board, at the November Board meeting. These items will be voted on, for official approval, at the December 2018 Board Meeting.

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NWSRA Budget Worksheet FY 2019

Line Item #	Description	FY 2018	PYE 2018	PYE 2018 - FY 2018	Proposed FY 2019	Proposed FY 2019 - FY 2018	% Change FY 2018 - Proposed FY 2019
Income							
310000	Member District Assessments	4,235,180.21	4,235,180.26	0.05	4,277,532.03	\$42,351.82	1.0%
321000	Transportation - Door to Door	4,836.00	5,259.75	423.75	5,700.00	864.00	17.9%
321100	Transportation - Pick up Points	19,200.00	24,146.75	4,946.75	22,500.00	3,300.00	17.2%
320000	Program Fees	626,250.00	608,047.71	-18,202.29	705,958.00	79,708.00	12.7%
340000	Non-Program Revenue	138,500.00	155,395.18	16,895.18	198,500.28	60,000.28	43.3%
350000	SLSF Grant Contributions	334,000.00	370,040.85	36,040.85	350,000.00	16,000.00	4.8%
360000	Sale of Fixed Assets	750.00	0.00	-750.00	1,250.00	500.00	0.0%
370000	Interest	33,862.00	80,064.08	46,202.08	80,000.00	46,138.00	136.3%
380000	Revenue SLSF	500.00	500.00	0.00	500.00	0.00	0.0%
385000	Transfer of Reserve	100,000.00	154,052.42	54,052.42	250,000.00	150,000.00	0.0%
	Total Income	5,493,078.21	5,632,687.00	139,608.79	5,891,940.31	398,862.10	7.3%
Operating Expenses-Administration							
421000	Professional Fees	14,010.00	13,040.00	-970.00	13,550.00	-460.00	-3.3%
421100	Office Supplies	4,100.00	8,219.26	4,119.26	4,400.00	300.00	7.3%
421150	Credit Card & Bank Fees	8,570.00	12,239.04	3,669.04	12,330.00	3,760.00	43.9%
421200	Postage	5,000.00	7,043.49	2,043.49	5,200.00	200.00	4.0%
421300	Telephone/Fax	14,476.00	15,931.32	1,455.32	17,110.00	2,634.00	18.2%
421400	Conference/Education	38,427.00	41,494.95	3,067.95	41,208.00	2,781.00	7.2%
421500	Memberships	18,514.00	9,674.02	-8,839.98	17,660.00	-854.00	-4.6%
421600	Health Insurance	589,498.55	505,135.09	-84,363.46	591,061.92	1,563.37	0.3%
421700	Maintenance/Utilities	46,710.00	41,397.65	-5,312.35	47,325.00	615.00	1.3%
421800	Rent	30,096.00	30,096.00	0.00	70,096.00	40,000.00	132.9%
421900	Computer	110,141.35	128,533.72	18,392.37	117,175.00	7,033.65	6.4%
	Subtotal Administration Expenses	879,542.90	812,804.54	-66,738.36	937,115.92	57,573.02	6.5%
Program							
422100	Rental Municipal	35,925.00	34,529.24	-1,395.76	36,791.81	866.81	2.4%
422200	Commercial Expense	136,845.00	127,854.15	-8,990.85	154,765.50	17,920.50	13.1%
422300	Program Development	36,839.61	166,842.32	130,002.72	18,486.00	-18,353.61	-49.8%
422400	Program Supplies	46,986.50	84,148.29	37,161.79	75,274.25	28,287.75	60.2%
422500	Commercial Transportation	85,925.00	90,451.01	4,526.01	115,125.00	29,200.00	34.0%
422600	Staff Mileage	30,000.00	22,136.72	-7,863.28	25,000.00	-5,000.00	-16.7%
422700	Transportation Maintenance	76,900.00	94,366.40	17,466.40	83,900.00	7,000.00	9.1%
422800	Gas/Tolls	50,635.00	66,749.23	16,114.23	75,800.00	25,165.00	49.7%
422900	Printing	53,960.00	53,637.72	-322.28	53,374.00	-586.00	-1.1%
423100	Public Awareness/Subscriptions/Ads	21,885.00	25,466.16	3,581.16	12,480.00	-9,405.00	-43.0%
	Subtotal Program Expenses	575,901.11	766,181.24	190,280.14	650,996.56	75,095.46	13.0%
Salary							
424100	Full Time Staff Salary	2,149,247.16	2,106,547.91	-42,699.25	2,188,963.05	39,715.89	1.8%
424200	Part Time Staff Salary	485,785.00	432,142.76	-53,642.24	518,112.65	32,327.65	6.7%
424300	Payroll Processing	28,299.36	25,450.63	-2,848.73	27,734.00	-565.36	-2.0%
424500	Car Allowance	7,800.00	7,800.00	0.00	7,800.00	0.00	0.0%
	Subtotal Salary Expenses	2,671,131.52	2,571,941.30	-99,190.22	2,742,609.70	71,478.18	2.7%
Liability/Audit/IMRF							
441000	Liability/PDRMA	82,361.00	76,739.84	-5,621.16	80,626.52	-1,734.48	-2.1%
442000	Audit	6,150.00	6,150.00	0.00	7,525.00	1,375.00	22.4%
442100	FICA	242,257.55	229,081.22	-13,176.33	245,821.55	3,564.00	1.5%
442200	IMRF	261,435.00	251,145.32	-10,289.68	203,792.46	-57,642.54	-22.0%
	Subtotal Liability/Audit/IMRF Expenses	592,203.55	563,116.38	-29,087.17	537,765.53	-54,438.02	-9.2%
ADA Compliance / Capital							
450000	ADA Compliance	544,336.37	418,178.83	-126,157.54	517,005.95	-27,330.42	-5.0%
460000	Capital Equipment Replacement	225,000.00	51,836.96	-173,163.04	463,500.00	238,500.00	106.0%
	Subtotal ADA/Capital Expenses	769,336.37	470,015.79	-299,320.58	980,505.95	211,169.58	27.4%
	Total Expenses	5,488,115.45	5,184,059.25	-304,056.20	5,848,993.66	360,878.22	6.6%
	Net Income	4,962.76	448,627.75	443,664.99	42,946.65	37,983.88	765.4%

Line Item #	Description - Assumption	FY 2018	PYE 2018	PYE 2018 - FY 2018	Proposed FY 2019	Proposed FY 2019 - FY 2018	% Change FY 2018 - Proposed FY 2019
Income							
310000	Member District Assessments - The formula for the MDA is based on 75% EAV and 25% gross population using a 2% ceiling and a 2% floor. NWSRA Member Park Districts approved the MDA in July 2018. The dollars assessed by the association to each member park district will remain consistent with the approved \$4,277,532.03 amount which is 1% change from 2018 MDA.	4,235,180.21	4,235,180.26	0.05	4,277,532.03	\$42,351.82	1.0%
321000	Transportation - Door to Door - 2019 budgeted amount is higher due to increased door to door transportation for Bowling and Boccia programs. All other weekly programs have the transportation fee included in the program fees.	4,836.00	5,259.75	423.75	5,700.00	864.00	17.9%
321100	Transportation - Pick up Points - Fees collected for participants receiving transportation from a designated pick up location and then dropped off at the same location at the end of the program. FY 2019 Budgeted amount is increased due to addition of STAR Academy and addition of day camps. All other transportation fees are reflected in the program fee.	19,200.00	24,146.75	4,946.75	22,500.00	3,300.00	17.2%
320000	Program Fees - Fees collected for Clubs, Weekly programs, Leisure Ed., Summer Camps, Special Events and Adult Day Program. Program fee revenue is calculated from individual program budgets, with adjustments made for previous year's results. The 2019 budgeted amount reflects an increase in day camp sites, weeks and times as well as the Mt Prospect site for PURSUIT and Mt Prospect STAR Academy.	626,250.00	608,047.71	-18,202.29	705,958.00	79,708.00	12.7%
340000	Non-Program Revenue - The revenue that comes into the agency such as the P-card rebate checks, speaker honorarium for speaking fees and PDRMA Accreditation award. Increase in FY 2019 budgeted due to full year of PURSUIT at Mt. Prospect, STAR Academy programming and an increase in reimbursement for drivers.	138,500.00	155,395.18	16,895.18	198,500.28	60,000.28	43.3%
350000	SLSF Grant Contributions - Grant funding requested by NWSRA for Lightning Athletes, Accessible Vehicles, Scholarship, Inclusion, General Program Support and Adaptive Equipment. SLSF Funding includes: NWSRA Lightning Athletes (\$25,000), Transportation (\$70,000), Scholarships (\$81,000), Inclusion (\$14,000) and General Program Support (\$85,000)(+\$59,000 for Pursuit 3)	334,000.00	370,040.85	36,040.85	350,000.00	16,000.00	4.8%

Line Item #	Description - Assumption	FY 2018	PYE 2018	PYE 2018 - FY 2018	Proposed FY 2019	Proposed FY 2019 - FY 2018	% Change FY 2018 - Proposed FY 2019
Income							
360000	Sale of Fixed Assets - This line represents the sale of equipment, furniture or vehicles. In 2019, three vehicle will be auctioned with anticipated sale price of \$1250 based on transportation report provided to the NWSRA Board in 2018.	750.00	0.00	-750.00	1,250.00	500.00	66.7%
370000	Operating and Investment accounts. 2019 amount is increased due to rising interest rates, budgeted low in comparison to 2018 rates, as well as maturing CD's in 2019. Finance Committee Suggested budgeting to what the actual interest for the year ended at.	33,862.00	80,064.08	46,202.08	80,000.00	46,138.00	136.3%
380000	Revenue SLSF - This account includes donations to SLSF received via the NWSRA registration form, Booster Club and any other form of donation to SLSF through an NWSRA platform. This amount will be transferred to SLSF at the end of the year.	500.00	500.00	0.00	500.00	0.00	0.0%
385000	Transfer of Reserve - We anticipate the audited net surplus for 2018 to be \$145,042.03. We will then use this amount plus \$104,957.97 from investments to be used for Wheeling construction. We will ask PFM to have \$150,000 cash available by August 2019 for contingencies (this amount includes the \$104,957.97).	100,000.00	154,052.42	54,052.42	250,000.00	150,000.00	0.0%
Total Income		5,493,078.21	5,632,687.00	139,608.79	5,891,940.31	398,862.10	-4.2%

Line Item #	Description - Assumption	FY 2018	PYE 2018	PYE 2018 - FY 2018	Proposed FY 2019	Proposed FY 2019 - FY 2018	% Change FY 2018 - Proposed FY 2019
Income							
Operating Expenses-Administration							
421000	Professional Fees - This line item is for professional fees such as legal fees, Management Association annual fee and AssetMaxx. Proposed 2019 is slightly less than budgeted 2018 due to lower miscellaneous expenses. Included in 2019 are funds for Policy Manual revamp.	14,010.00	13,040.00	-970.00	13,550.00	-460.00	-3.3%
421100	Office Supplies - Proposed FY 2019 will be higher due to increased need for office supplies due to increased programs, administrative projects and random supply needs.	4,100.00	8,219.26	4,119.26	4,400.00	300.00	7.3%
421150	Credit Card & Bank Fees - The 2019 amount is higher due to an increase in credit card usage due to increased programming and online program registrations.	8,570.00	12,239.04	3,669.04	12,330.00	3,760.00	43.9%
421200	Postage - 2019 is slightly higher due to an increase in postage costs and more mailings.	5,000.00	7,043.49	2,043.49	5,200.00	200.00	4.0%
421300	Telephone/Fax - Includes agency phone service, Director phone and internet and staff phones. Increase in 2019 due to an increase in the phone maintenance agreement and install at Wheeling program space.	14,476.00	15,931.32	1,455.32	17,110.00	2,634.00	18.2%
421400	Conference/Education - NRPA conference, State Conference, Continuing Education Workshops / CEU / Professional Development Schools, IPRA/IAPD, ITRS, SPRA, ILTRA professional meetings, local meetings, Evaluation meetings for staff. Increase in 2019 due to new staff with Certification that requires new conferences to keep up certification.	38,427.00	41,494.95	3,067.95	41,208.00	2,781.00	7.2%
421500	Memberships - IPRA, NRPA, SPRA memberships, CTRS exams and annual maintenance, CPRP exam and renewal fees, safety training, CDL reimbursement and renewal, and miscellaneous membership fees (ATRA, ILTRA, other disability organizations and associations). 2018 PYE is less than budgeted as IPRA expenses have been moved to 2019. 2019 budgeted is on target with 2018 as several conferences will remain the same and others are replaced.	18,514.00	9,674.02	-8,839.98	17,660.00	-854.00	-4.6%
421600	Health Insurance - The Personnel Committee supports the following staff recommendations for health insurance outlined for 2019: Based on \$2,000 deductible and same Premiums and percentages as last year	589,498.55	505,135.09	-84,363.46	591,061.92	1,563.37	0.3%

Line Item #	Description - Assumption	FY 2018	PYE 2018	PYE 2018 - FY 2018	Proposed FY 2019	Proposed FY 2019 - FY 2018	% Change FY 2018 - Proposed FY 2019
Income							
421700	Maintenance/Utilities - The line item includes services from the Rolling Meadows Park District, internet, Natural gas and electric, and cleaning supplies for the offices and RMCC space. 2019 amount is slightly increased due to increased internet costs due to new Wheeling space.	46,710.00	41,397.65	-5,312.35	47,325.00	615.00	1.3%
421800	Rent - Condo fees, HPCC, MPCC rent. RMCC is paid every 3 years. The 2019 expense is higher due to a full year at Mt. Prospect and Wheeling space.	30,096.00	30,096.00	0.00	70,096.00	40,000.00	132.9%
421900	Computer - This line item includes computer service and repairs, software, hardware, framework support, website and Database enhancements. 2019 budgeted is slightly higher due to move to Diamond support because of installation of Windows 10 computers and server	110,141.35	128,533.72	18,392.37	117,175.00	7,033.65	6.4%
Subtotal Administration Expenses		879,542.90	812,804.54	-66,738.36	937,115.92	57,573.02	6.5%

Line Item #	Description - Assumption	FY 2018	PYE 2018	PYE 2018 - FY 2018	Proposed FY 2019	Proposed FY 2019 - FY 2018	% Change FY 2018 - Proposed FY 2019
Income							
Program							
422100	Rental Municipal - Member District rentals, NSSEO, School Districts, SRA rentals and churches. 2019 amount is slightly increased due to introduction of NWSRA University.	35,925.00	34,529.24	-1,395.76	36,791.81	866.81	2.4%
422200	Rental Commercial - This includes expenses at commercial facilities. Proposed 2019 is higher due to full year of Mt. Prospect PURSUIT, expansion of STAR Academy and higher costs related to housing for NWSRA athletes at Special Olympics competitions.	136,845.00	127,854.15	-8,990.85	154,765.50	17,920.50	13.1%
422300	Program Development - 2019 decreasing due to rent payment for Mt. Prospect and Wheeling being paid out of 421800 Rent.	36,839.61	166,842.32	130,002.72	18,486.00	-18,353.61	-49.8%
422400	Program Supplies - This line item includes paper products, t-shirts / apparel / uniforms, nametags / Business cards, awards / recognition / incentives, Library resources, AV, general recreation supplies / crafts, food, meetings, orientations, special event supplies and miscellaneous. 2019 is higher due to startup costs for the Wheeling program space and NWSRA University costs.	46,986.50	84,148.29	37,161.79	75,274.25	28,287.75	60.2%
422500	Commercial Transportation - This line item includes expenses for transportation services for Summer Day Camp and Leisure Education. 2019 is higher due to extra week of day camp and related trips, and expansion of STAR Academy.	85,925.00	90,451.01	4,526.01	115,125.00	29,200.00	34.0%
422600	Staff Mileage - This line item is for the mileage reimbursement given to staff based on the rate of .535. The 2019 amount is lower based on PYE 2018 to reflect actual staff usage.	30,000.00	22,136.72	-7,863.28	25,000.00	-5,000.00	-16.7%
422700	Transportation Maintenance - This line item includes vehicle service fees and maintenance fees. Proposed FY 2018 amount is a slight increase due to increase in maintenance costs.	76,900.00	94,366.40	17,466.40	83,900.00	7,000.00	9.1%
422800	Gas/Tolls/Parking - This line item is the expense of gasoline for the NWSRA vehicle fleet, tolls and parking. Proposed 2018 is a slight increase in gas costs due to full year at Mt. Prospect and 4 months at Wheeling.	50,635.00	66,749.23	16,114.23	75,800.00	25,165.00	49.7%
422900	Printing - This line item includes program brochures, day camp brochures, copier leases, printer supplies, paper and other printed materials for PR and marketing. 2019 amount will remain approximately the same as 2018	53,960.00	53,637.72	-322.28	53,374.00	-586.00	-1.1%

Line Item #	Description - Assumption	FY 2018	PYE 2018	PYE 2018 - FY 2018	Proposed FY 2019	Proposed FY 2019 - FY 2018	% Change FY 2018 - Proposed FY 2019
	Income						
423100	Public Awareness/ Subscriptions/Ads- 2019 expenses are lower due to less miscellaneous expenses, open house expenses moving to SLSF and pre-payment of several items in 2018.	21,885.00	25,466.16	3,581.16	12,480.00	-9,405.00	-43.0%
	Subtotal Program Expenses	575,901.11	766,181.24	190,280.14	650,996.56	75,095.46	13.0%

Line Item #	Description - Assumption	FY 2018	PYE 2018	PYE 2018 - FY 2018	Proposed FY 2019	Proposed FY 2019 - FY 2018	% Change FY 2018 - Proposed FY 2019
	Income						
	Salary						
424100	Full Time Staff Salary - The 2018 NWSRA Partner Agency Merit Increase Pool Survey was sent to all 17 park districts and the five surrounding SRAs in October 2018. Based on the survey results, an analysis of the NWSRA 2018 projected year end numbers and the preliminary fiscal year 2019 salary numbers, a 3.0% merit pool applied to the Actual Annual Salary total budgeted amount.	2,149,247.16	2,106,547.91	-42,699.25	2,188,963.05	39,715.89	1.8%
424200	Part Time Staff Salary - This line item includes the wages for all hourly part time employees, including the Payroll Clerk and administrative support. 2019 amount is slightly higher due to addition of Wheeling programming space and STAR Academy at 3 locations.	485,785.00	432,142.76	-53,642.24	518,112.65	32,327.65	6.7%
424300	Payroll Processing - Includes new hire reporting, delivery, TLO processing, quarterly reporting, W-2 processing, FSA processing and check processing. 2019 amount accounts for a 3% increase in processing fees.	28,299.36	25,450.63	-2,848.73	27,734.00	-565.36	-2.0%
424500	Car Allowance - This line item includes the car allowance for the Director.	7,800.00	7,800.00	0.00	7,800.00	0.00	0.0%
	Subtotal Salary Expenses	2,671,131.52	2,571,941.30	-99,190.22	2,742,609.70	71,478.18	2.7%

Line Item #	Description - Assumption	FY 2018	PYE 2018	PYE 2018 - FY 2018	Proposed FY 2019	Proposed FY 2019 - FY 2018	% Change FY 2018 - Proposed FY 2019
Income							
Liability / Audit / IMRF							
441000	Liability/PDRMA - Property, Liability, Workers Compensation, employment and pollution, unemployment INS, background checks, safety incentives, physicals and drug screenings. 2019 is slightly lower due to prepayment of criminal background checks.	82,361.00	76,739.84	-5,621.16	80,626.52	-1,734.48	-2.1%
442000	Audit - Auditor fees to be paid to Lauterbach & Amen, LLP based on the 2016 bid for three years of services. Increases gradually over the three year contract. 2019 also includes GASB 75/OPEB amount.	6,150.00	6,150.00	0.00	7,525.00	1,375.00	22.4%
442100	FICA	242,257.55	229,081.22	-13,176.33	245,821.55	3,564.00	1.5%
442200	IMRF	261,435.00	251,145.32	-10,289.68	203,792.46	-57,642.54	-22.0%
Subtotal Liability/Audit/IMRF Expenses		592,203.55	563,116.38	-29,087.17	537,765.53	-54,438.02	-9.2%
ADA / Capital							
450000	ADA Compliance - This line item includes the Inclusion Aide support, Member Park District inclusion reimbursements, ability awareness, orientation salary, Rovers salary, training / orientation meeting and misc. supplies. Proposed 2019 is based on a 5% decrease from budgeted 2018 to more accurately reflect PYE 2018.	544,336.37	418,178.83	-126,157.54	517,005.95	-27,330.42	-5.0%
460000	Capital Equipment Replacement - Proposed 2019 expenses are higher due to items need for 3 vehicles based on transportation report, expenses toward the construction of the Wheeling program space and purchase of new computers and server in 2019. \$250,000 transfer from capital reserve is allocated to to cover construction costs if needed. We may be able to spend the audited net surplus the operating and general funds.	225,000.00	51,836.96	-173,163.04	463,500.00	238,500.00	106.0%
Subtotal ADA/Capital Expenses		769,336.37	470,015.79	-299,320.58	980,505.95	211,169.58	27.4%
Total Expense		5,488,115.45	5,184,059.25	-304,056.20	5,848,993.66	360,878.22	6.6%
Net Income		4,962.76	448,627.75	443,664.99	42,946.65	37,983.88	765.4%

NWSRA
Capital Replacement Plan

Capital Replacement Type	Fleet #	Description	2018	2019	2020	2021	2022
Vehicles							
	501	26 passenger- accessible			\$85,000.00		
	502	20 passenger- accessible, out in 2019					
* Approved and wait	503	20 passenger- accessible					
	505	44 passenger- non-accessible				\$95,000.00	
Pending Grant appro	506	14 passenger- non-accessible					
	507	26 passenger- accessible					
	508	14 passenger- accessible, IDOT					\$68,000.00
	509	14 passenger- accessible				\$68,000.00	
	510	14 passenger- accessible, IDOT					
Max 2 purchase	511	14 passenger- accessible, IDOT					
	512	14 passenger- accessible		\$65,000.00			
	513	Minivan (6 passengers)		\$68,000.00			
	514	14 passenger- accessible			\$68,000.00		
	515	14 passenger- accessible, IDOT					
	516	14 passenger- accessible					\$68,000.00
	518	14 passenger- accessible, IDOT			\$68,000.00		
	519	14 passenger- accessible, out in 2019					
	520	14 passenger- accessible					
	521	14 passenger- accessible					
	522	14 passenger- accessible				\$68,000.00	
	523	14 passenger- accessible					
	524	14 passenger- accessible					
	525	14 passenger- accessible					
	526	14 passenger- accessible, IDOT					
	527	14 passenger- accessible		\$65,000.00			
Vehicles Total			\$0.00	\$198,000.00	\$221,000.00	\$231,000.00	\$136,000.00
ADA Transition Plan							
		ADA Transition Plan		\$1,100.00	\$550.00	\$4,000.00	\$20,400.00
ADA Transition Plan Total				\$1,100.00	\$550.00	\$4,000.00	\$20,400.00
IT							
		Server/Computer lease (\$1,120/mo x 12 mo)- 48 mo. Lea	\$0.00	\$13,400.00	\$13,440.00	\$13,440.00	
		iPads	\$0.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
IT-Total			\$0.00	\$14,400.00	\$14,440.00	\$14,440.00	\$1,000.00

Rent/Lease		RMCC - Annual Rent			\$150,342.29		
		RMCC - Maintenance and Custodial			\$14,255.47		
		*Rent, Maint. And Custodial will be paid for from the Investment accounts					
Rent/Lease Total		PROPOSING 2020 payment out of Investments, total amount based on 10% increase	\$0.00	\$0.00	\$164,597.76	\$0.00	\$0.00
General Equipment				*			
		Equipment HPCC Programming space. *Equipment HPCC will be paid for from the Investment accounts	\$45,000.00				
		Wheeling Site Construction		\$250,000.00			
Gen. Equipment Total			\$45,000.00	\$250,000.00	\$0.00	\$0.00	\$0.00
Subtotal			\$45,000.00	\$463,500.00	\$400,037.76	\$245,440.00	\$137,000.00
Payments from Investments					\$165,000.00		
Payments from SLSF							
GRAND TOTAL		Remaing Capital Liability payments from Capital Reserve	\$45,000.00	\$463,500.00	\$235,037.76	\$245,440.00	\$137,000.00

**Proposed
Unaudited
2019
Summary of
Reserves and
Investment
Fund**



We exist to provide outstanding opportunities through recreation for children and adults with disabilities.

Date: November 14, 2018

To: Diane Hilgers, Chairman

From: Jay Morgan, Finance Committee Chair

Re: Proposed Unaudited FY2019 Summary of Reserves

The Finance Committee met on November 1, 2018 and reviewed the Operating Fund, General Reserve and Capital Reserve in accordance with the Fund Balance Policy. Based on the PYE2018 and 2019 policy requirements, it is recommended that the proposed surplus of \$181,776.49 be transferred into either the Investment Reserve, Capital Reserve or Operating Reserve; whichever one will yield the highest interest rate. The surplus will be used for the construction costs for NWSRA's fourth programming space.

The proposed amounts listed above reflect unaudited numbers. Once a final amount is determined, staff will provide the final calculations for transfer of funds.

An extension of the local park districts serving

Arlington Heights • Bartlett • Buffalo Grove • Elk Grove • Hanover Park • Hoffman Estates • Inverness • Mount Prospect
Palatine • Prospect Heights • River Trails • Rolling Meadows • Salt Creek • Schaumburg • South Barrington • Streamwood • Wheeling

3000 West Central Road, Suite 205 • Rolling Meadows, IL 60008 • VOICE 847/392-2848 • FAX 392-2870 • TTY 392-2855 • www.nwsra.org

To: Jay Morgan, Finance Committee Chairman
From: Tracey Crawford, Executive Director
Date: November 1, 2018
Re: Proposed Unaudited FY 2018 Summary of Reserves and Investment Fund

Fund Balance Policy

Fund Balance Philosophy

NWSRA believes that strong financial management principles require sufficient funds be retained to provide a stable financial base at all times. To retain a stable financial base, NWSRA needs to maintain a fund balance policy sufficient to fund all cash flows for its daily operations and capital needs. NWSRA must provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. The purpose of this policy is to specify the size and composition of NWSRA's current accounts and set a balance recommendation for both operating and reserve funds. No change or removal of the fund balance may occur without approval by resolution of the Board of Trustees. The fund balance may be used for a specific purpose authorized by the Executive Director.

Minimum Unrestricted Fund Balance Levels

This policy applies to NWSRA's funds as follows:

- A. Operating Funds – The Operating Funds are the major funds including the general fund of NWSRA. They are used to account for administrative, maintenance and all financial resources except those that are accounted for in another fund. The Operating Funds are assigned to obtain fiscal sustainability. This assigned fund balance will be maintained at a minimum level of 25% of annual budgeted expenditures. This will be adjusted annually with the adoption of the annual budget and is calculated at a minimum of three months (25%) of expenditures not including capital and transfers.

Operating Fund Balance- PYE 2018:	\$1,691,432.23
<u>Operating Fund Balance- FY 2019:</u>	<u>\$1,462,248.42</u>
Difference of:	\$ 229,183.81

- B. General Reserve Fund- This assigned fund balance should maintain a balance equal to or greater than 25% of annual expenses.

General Reserve Fund (Max Safe 1)- PYE 2018	\$1,478,141.81
<u>General Reserve Fund (Max Safe 1)- FY 2019</u>	<u>\$1,462,248.42</u>
Difference of:	\$ 15,893.40

C. Capital Reserve Fund- This committed fund balance shall be used for capital purchases and should maintain a balance in an amount equal to a 3 year rolling average of the total budgeted capital expenditures.

Capital Reserve Fund (Max Safe 2)- PYE 2018	\$184,545.20
<u>Capital Reserve Fund (Max Safe 2)- FY 2019</u>	<u>\$247,845.92</u>
Difference of:	-\$ 63,300.72

NWSRA would transfer the amounts below from the Operating Fund to the Capital and General Reserve Funds. The remaining amount would be transferred to investments.

Operating Fund Difference:	\$ 229,183.81
General Reserve:	\$ 15,893.40
<u>Capital Reserve:</u>	<u><\$ 63,300.72></u>

Transferred to Investments (based on estimated amounts): \$181,776.49

The proposed amounts listed above reflect unaudited numbers. Once a final amount is determined, staff will provide the final calculations for transfer of funds to PFM for Investment or to the General Reserve Fund (Max Safe 1) for the construction and startup costs for the NWSRA Programming Space at Wheeling Park District.



NWSRA Investment Update

November 1, 2018

PFM Asset
Management LLC

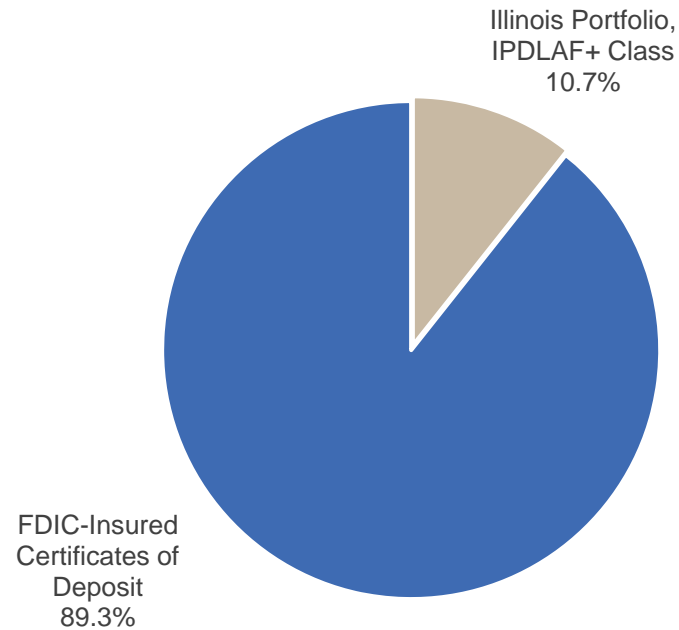
222 North LaSalle
Suite 910
Chicago, IL 60601

312-977-1570
pfm.com



NWSRA Investment Holdings as of September 30, 2018

Investment Type	Market Value	Yields as of 9/30/18	Yields as of 9/30/17
Illinois Portfolio, IPDLAF+ Class	\$164,906.11	1.88%	0.92%
FDIC-Insured Certificates of Deposit	\$1,381,951.51	1.65% - 3.10%	1.00% - 1.67%
Total	\$1,546,857.62		





NWSRA Investment Holdings as of September 30, 2018

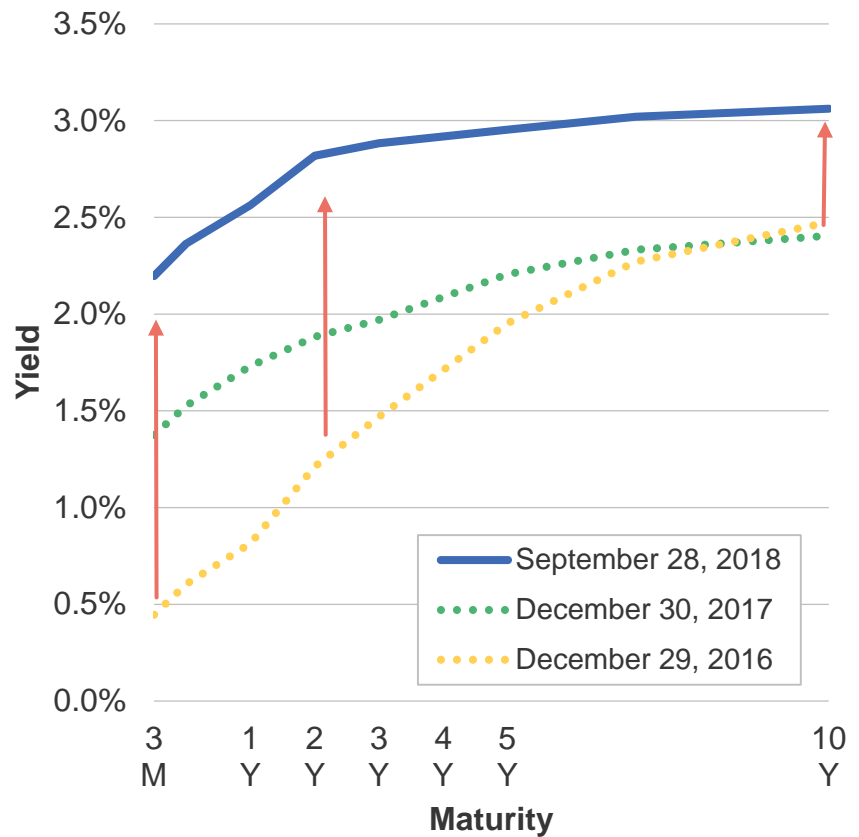
Institution	Settlement Date	Maturity Date	Rate	Investment Amount	Value at Maturity
Cfg Community Bank, MD	10/13/2017	10/15/2018	1.65%	\$105,000	\$106,742
Bank Of The Ozarks, AR	12/26/2017	12/26/2018	1.85%	\$100,000	\$101,850
Landmark Community Bank, TN	3/6/2018	3/6/2019	2.25%	\$202,952	\$207,518
Bank Leumi Usa, NY	4/2/2018	4/2/2019	2.30%	\$135,000	\$138,105
Cornerstone Bank, Nebraska, NE	5/21/2018	5/21/2019	2.45%	\$100,000	\$102,450
Mainstreet Bank, VA	7/12/2018	7/12/2019	2.70%	\$110,000	\$112,970
First National Bank Of Mcgregor (The), TX	8/28/2018	8/28/2019	2.70%	\$219,000	\$224,913
First Internet Bank Of Indiana, IN	6/20/2018	12/17/2019	2.77%	\$210,000	\$218,686
Prime Alliance Bank, UT	9/14/2018	9/14/2020	3.10%	\$200,000	\$212,417
Totals				\$1,381,952	\$1,425,651



U.S. Yield Curve Has Flattened

Tenor	Current 9/28/18	Year-End 12/31/2017	Year-End 12/31/16
3 month	2.20%	1.38%	0.45%
6 month	2.36%	1.53%	0.61%
1 year	2.56%	1.73%	0.82%
2 year	2.82%	1.88%	1.21%
3 year	2.88%	1.97%	1.47%
5 year	2.95%	2.21%	1.95%
10 year	3.06%	2.41%	2.48%

U.S. Treasury Yield Curve



Source: Bloomberg, as of 9/28/2018.



Fed Raises Rates Again in September

September

26

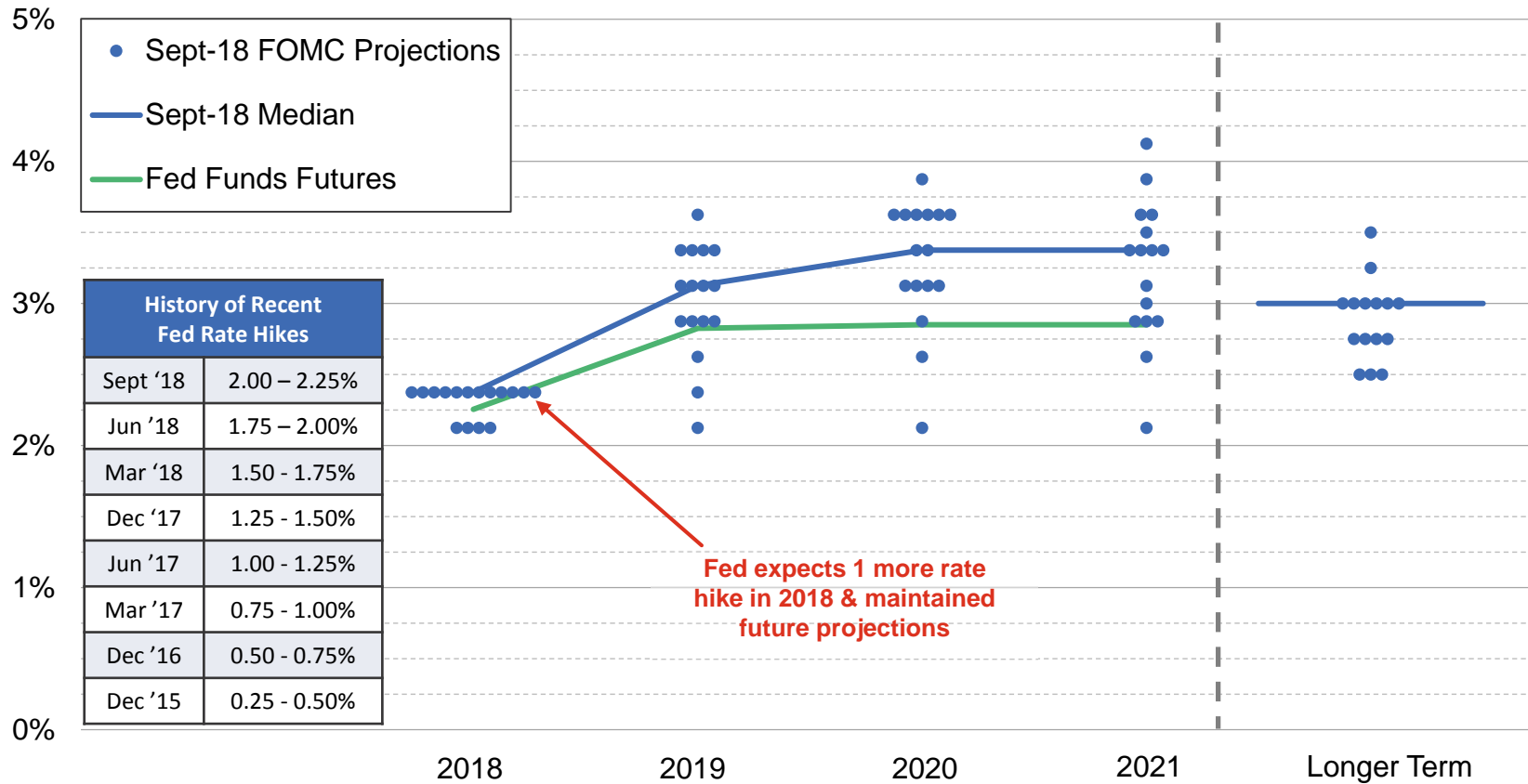
- Information received since the FOMC met in August indicates that the labor market has continued to strengthen and **economic activity has been rising at a strong rate**. Job gains have been strong, on average, in recent months, and the **unemployment rate has stayed low**. **Household spending and business fixed investment have grown strongly**.
 - On a 12-month basis, both overall inflation and inflation for items other than food and energy remain near 2 percent. Indicators of longer-term inflation expectations are little changed, on balance.
 - In view of realized and expected labor market conditions and inflation, the Committee decided to raise **the target range for the federal funds rate to 2 to 2¼ percent**.
- Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that further gradual increases in the target range for the federal funds rate will be consistent with **sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective** over the medium term. Risks to the economic outlook appear roughly balanced.
 - The Fed **removed the “accommodative” language** to describe its monetary policy, signaling that the Fed will continue to be data-dependent going forward and will reassess economic conditions to affirm they are consistent with their economic forecast.

Source: Federal Reserve.



FOMC's September "Dot Plot" Projects One More Rate Hike in 2018

Fed Participants' Assessments of 'Appropriate' Monetary Policy



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. Fed funds futures as of 9/26/18.



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