

Jessica Vasalos

From: Jessica Vasalos
Sent: Tuesday, July 23, 2024 5:02 PM
To: Craig Talsma; Tracey Crawford
Cc: Ben Curcio; Jim Jarog; Christina Ferraro (CFerraro@phparks.org); 'Kevin Romejko (KRomejko@bartlettparks.org)'; Nicolae Gereia; Darleen Negrillo
Subject: RE: Board Packet

Updates are listed below in blue.

From: Jessica Vasalos
Sent: Tuesday, July 23, 2024 3:40 PM
To: Craig Talsma <ctalsma@heparks.org>; Tracey Crawford <tcrawford@nwsra.org>
Cc: Ben Curcio <bcurcio@elkgroveparks.org>; Jim Jarog <jjarog@mppd.org>; Christina Ferraro (CFerraro@phparks.org) <CFerraro@phparks.org>; 'Kevin Romejko (KRomejko@bartlettparks.org)' <KRomejko@bartlettparks.org>; Nicolae Gereia <ngerea@NWSRA.ORG>; Darleen Negrillo <dnegrillo@nwsra.org>
Subject: RE: Board Packet

Hello – Please see the responses below in red in preparation for our phone call at 4:00 pm – See you then – Tracey would like send you a zoom if that works for you! She can send it to all of you!

From: Craig Talsma <ctalsma@heparks.org>
Sent: Tuesday, July 23, 2024 12:51 PM
To: Tracey Crawford <tcrawford@nwsra.org>
Cc: Ben Curcio <bcurcio@elkgroveparks.org>; Jim Jarog <jjarog@mppd.org>; Christina Ferraro (CFerraro@phparks.org) <CFerraro@phparks.org>; 'Kevin Romejko (KRomejko@bartlettparks.org)' <KRomejko@bartlettparks.org>; Jessica Vasalos <jvasalos@nwsra.org>; Nicolae Gereia <ngerea@NWSRA.ORG>
Subject: RE: Board Packet

Hi Tracey,
I have some questions about the packet, and more importantly I am still very unsure about the financial statement. I am happy to discuss if you would like to give me a call.
Thanks, Craig

Audit

I am still concerned about the IRS recording of the penalty and miscellaneous income. The footnote regarding this is incorrect and an amount is missing. Also, since we know the credits, we received after making the payment this year those should be recorded as well. I would like to see the overall journal entry regarding this entire transaction for both 2023 and 2024. **We have forwarded this concern to Ed Tracy, but here is what we know; the initial \$60,180 that was earmarked for the IRS tax penalty payment in FY2023 was recorded. This is the note that was included on the ADJ JE paperwork sent by ED....**

“Your trial balance still shows the reversal of the prior year accrual for penalties and interest on the past due payroll taxes as miscellaneous income, and then recognizing expense in 2023 for the actual amount paid in 2023 for interest on these past due taxes, as interest was forgiven. It is not correct to recognize additional expense in 2023 as the full amount was already expensed in 2022. Rather, an amount should be reported as "Forgiveness of Interest on Past Due Payroll Taxes" should be reported for the net amount

(accrual less actual payment). Adjustment between your QB trial balance and our audited trial balance is shown below. There is no effect on net income, and since you cannot post back to 2023 anymore, I do not think an adjustment should be made in 2024 - just want to make you aware of difference.

Update – Spoke with the attorney and this is ok

I am still concerned about the amount shown in the sale of fixed assets. I have requested to see the actual paperwork from GovDeals, which you stated you used to sell the bus. Please send me a copy of the actual paperwork regarding the transaction for the sale of the bus. I had also asked for verification that we appropriately declared the busses surplus property; I can't find that ordinance. The invoice from the sale is attached. It was sold through Gov Deals. However, we can not a Surplus Ordinance for this bus, so it will be added to the September Board Agenda.

Update – make sure that the both buses are on the Surplus Ordinance one as sold and one as returned to IDOT

Financials.

There are still a tremendous number of mistakes throughout the financial statements. The FICA accounts, IMRF and voluntary contributions do not tie out or cannot be tied out. Simply look at the numerous accounts that have negative balances. These need to be addressed. The budget amount is off and there is a discrepancy between monthly and quarterly. The balance sheets are not complete and do not match each other. The discrepancies between the GL balances that you mentioned are due to the differences in QuickBooks and AccuFund systems – In QuickBooks the debit for IMRF, FICA and Voluntary Contributions were always done manually through journal entries as an expense request. In AccuFund the system automatically debits the expense account and credits the liability account. Not being aware of this, were still debiting the expense account. We are in the process of correcting this process by crediting the expense to the liability account. Now that Nicolae has closed out FY2023, he shifted his focus to FY2024, to rebuilding the mapping of the AccuFund system to accommodate the appropriate accounting standards. In Nicolae's financial report, he was prepared to address this very issue and explain the reclassification needed to correct the Balance Sheet and Income Statements.

Update – Make sure that some of the negatives from FY2023 are going to retained earnings. Ensure the reclassifications are done for the September Board meeting.

The check listings and p-card report must give an item description of what was purchased. The detailed report that was provided is what the Board directed staff to provide. The Board specifically requested to see what GL accounts are being affected not the detailed of the description of the items being purchased.

Update – the warrant list will be the tab that is uploaded to AF.

Unfortunately, there are too many inconsistencies and unknowns throughout the financials to allow for approval.

Paid Leave

This new policy must address the FT vacation week that it is being substituted for. Without any other changes to the policy manual this simply adds a week for all FT staff. I know you stated this was not the case, but the policy must reflect that. Once the Paid Leave policy is approved by the Board, staff will update the Full-Time vacation policy. This policy language was approved by the contracted attorneys at Robbins Schwartz.

Update – the policy will be reviewed again by the attorney.

Personnel Minutes Corrections

I do not believe that salary ranges have been frozen for 4 years, We just increased them last year. **We used salary ranges from 2023 for 2024. Increased from 2022 to 2023 not 2023 to 2024 correction for minutes.**

I asked about the comparison presented in the memo where staff compared positions to park districts, that is what was being referred to where they were compared based on titles. **Will adjust the minutes.**

There was no consensus that overtime would be more costly than wage adjustments. **The committee tabled the second FLSA increase until it was actually put into action. The committee agreed to revisit this topic in October at the next Personnel Committee meeting.**

I stated that you CAN start new hires higher than the starting salary ranges. **Will adjust the minutes.**

I stated the new law does not require paying any staff \$58,656. I stated that all individuals may be paid hourly. There is no law that an individual must be exempt. **Will adjust the minutes.**

Where are the minutes regarding the complete FLSA discussion? **This discussion was during Executive Session, and you handed the minutes tomorrow for signature. As a reminder the full Board reviews them in December.**

Craig Talsma, CPA, CPRE

He/Him/His

Executive Director / Board Secretary

Hoffman Estates Park District

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