

Subject: FW: NWSRA Audit questions
Date: Tuesday, May 21, 2024 at 5:55:40 PM Central Daylight Time
From: Jessica Vasalos
To: Tom Draper
Attachments: image001.gif, image002.png, image003.png, image006.jpg, image004.jpg, image012.jpg, image013.png, image008.jpg, image010.jpg

Please post on the directors site under the packet

From: Jessica Vasalos
Sent: Tuesday, May 21, 2024 5:55 PM
To: Craig Talsma <ctalsma@heparks.org>; Tracey Crawford <tcrawford@nwsra.org>; Nicolae Gereaa <ngerea@NWSRA.ORG>; Jim Jarog <jjarog@mppd.org>
Cc: Ed Tracy <tracy@seldenfox.com>
Subject: RE: NWSRA Audit questions

Our response are below.....

From: Craig Talsma <ctalsma@heparks.org>
Sent: Monday, May 20, 2024 4:56 PM
To: Tracey Crawford <tcrawford@nwsra.org>; Nicolae Gereaa <ngerea@NWSRA.ORG>; Jessica Vasalos <jvasalos@nwsra.org>; Jim Jarog <jjarog@mppd.org>
Cc: Ed Tracy <tracy@seldenfox.com>
Subject: NWSRA Audit questions

**NWSRA
 AUDIT QUESTIONS**

AJE #3 – Please provide reconciliation for all transactions with IRS penalty, it seems to have been charged to payroll fees? The note and AJE for the Misc Income amount don’t match.

DATE	REF	ACCOUNT	PRYEE	MEMO	INCREASE	DECREASE	BALANCE
12/31/2022	AJE #7	GENJRNL 442200 - IMRF-442201 - ER Contributions - FT		To record estimated penalties and interest on unpaid payroll taxes	60,180.00		60,180.00
12/31/2023	VN-12-23	GENJRNL 442100 - FICA - Employer Tax Expense		ADJ - Reversal of Prior Period Unpaid Taxes		60,180.00	0.00
2/31/2023	VN-12-26	GENJRNL 420000 - Operating Expenses-424000 - Salary(Staff & Indep Cntrctrs)-424300 - P...		2023 Federal Payroll Tax Expense	22,759.61	Decrease	22,759.61
05/21/2024							

FY2022 Audit JE required us to DR 442201 and CR 21203 Accrued Expenses \$60,180

DATE: 12/31/2022 ENTRY NO: AJE #7 ADJUSTING ENTRY

ACCOUNT	DEBIT	CREDIT	MEMO	NW
442200 - IMRF-442201 - ER Contributions - FT	60,180.00		To record estimated penalties and i...	
21203 - Accrued Expenses		60,180.00	To record estimated penalties and i...	

FY 2023 in closing the year we DR 21203 Accrued Expenses and CR 442100 FICA \$60,180

DATE: 12/31/2023 ENTRY NO: VN-12-23 ADJUSTING ENTRY

ACCOUNT	DEBIT	CREDIT	MEMO
21203 - Accrued Expenses	60,180.00		ADJ - Reversal of Prior Period Unp...
442100 - FICA - Employer Tax Expense		60,180.00	ADJ - Reversal of Prior Period Unp...

The IRS check penalty was DR from 424300 and CR to 21203 \$22,759.61

DATE: 12/31/2023 ENTRY NO: VN-12-26 ADJUSTING ENTRY

ACCOUNT	DEBIT	CREDIT	MEMO
420000 - Operating Expenses 424000 - Salary(Staff & Indep Cntrctrs) 424300 - Payroll Processing...	22,759.61		2023 Federal Payroll Tax Expense
21203 - Accrued Expenses		22,759.61	2023 Federal Payroll Tax Expense

The above check was cut out of AccuFund requiring a JE in QB to record the expense in the proper year.

Close

Miscellaneous Distribution

1 Distribution(s) for 8,793.73

St	Fund	Object	GL#	Project	Description	Line Desc	Amount
10	67	442103	0000		FICA Full Time		8,793.73

The refund issue for overpayments to the IRS is shown above.

AJE #4 – Please explain, this appears to be a write-off of a scholarship receivable of \$63,796? AJE#6 SLSF Grants NWSRA a dollar amount annually for scholarships. These funds are received 3 times a year and put in the NWSRA scholarship line item to be held until it is reclassified to the specific programs that is has the scholarship awarded to the participant. The journal entry represents the year end total that was awarded in scholarships for FY2023. This breakdown is also included in the Budget and detailed in the in-house budget worksheet. Below is the budget line-item worksheet - \$73,759.50 was budgeted and the actual awarded amount was \$63,796.32.

FY 2023 Budget Worksheet- 350000 SLSF Grant Contributions

Employee name: Anne/Andrea/Rachel/Darleen Date: 10/13/2022 BT

Total	350000 SLSF Grant Contrib.	Budgeted FY 2022	Actual as of 8/31/22	Anticipated Income*	PYE 2022	PYE-Budgeted	Proposed FY 2023
	Total	\$218,500.00	\$101,196.67	\$0.00	\$101,196.67	(\$117,303.33)	\$297,303.33
* Explanation	350001 Scholarships	\$65,000.00	\$51,240.50	\$0.00	\$51,240.50	(\$13,759.50)	\$73,759.50
	<i>This is part of the SLSF Ask that is given three times a year.</i>						
	Subtotal	\$65,000.00	\$51,240.50	\$0.00	\$51,240.50	(\$13,759.50)	\$73,759.50

This was the AJE from Ed Tracy – dollar amounts provided by staff..

	CAJE		
6 Adjusting Journal Entry JE # 6			
7 Allocate amounts in scholarship receivable to various programs			
8 320005 Day Camp Fees		41,028.12	
9 320006 General Programs Fees		17,203.00	
0 320008 Trip Fees		1,365.00	
1 320011 Athletic Fees		4,089.20	
2 321006 General Programs Door to Door		110.00	
3 12001 Scholarship - Receivable			63,796.32
4 Total		63,796.32	63,796.32
5			
6 Total Adjusting Journal Entry		1,288,259.68	1,288,259.68
7			

AJE#6 – When payroll was reconciled to the 941s, \$48,537.15 in supply and service items were

recorded to payroll accounts. The AJE for this is \$33,847.50. What is the difference?

We have entered as an adjustment for our Payroll Expenses, for year 2023 since Nicolae and Finance Task team came across during reviewing and reconciling the payroll expenses, salaries, and payroll taxes in relation to Form 941 reported, as well as Nicole’s payroll reconciliation provided report.

It was our understanding that we concluded during the Finance Task Force meeting held in April, that no entries for FY 2023 should have adjusted due to 941 discrepancies. However, for year 2024, we have corrected, adjusted and remapped all GLs inclusion salaries, pointed out in Nicole’s report.

Below is the only entry that was put through as an audit adjustment for a total of \$33,847.50, as these were obviously, a reclass to contract services, finder fees out of recoded as payroll - salaries expenses for 2023.

Date	Account	Explanations	Debit	Credit	Comments
12/31/2023	424402 Part Time Salary Gen Programs	RECLASS ENTRY OF SALARY EXPENSES to Contract	2,847.50		Andrew Carponelli, Lorna Place
12/31/2023	424206 - General Programs	RECLASS ENTRY OF SALARY EXPENSES to Contract		2,847.50	Andrew Carponelli, Lorna Place
12/31/2023	421001 - Professional Fees	RECLASS ENTRY OF SALARY EXPENSES to Salary Professional	21,250.00		Remit Accurate Personnel LLC- GAZ finders fee
12/31/2023	424101 - Salary	RECLASS ENTRY OF SALARY EXPENSES to Salary Professional		21,250.00	Remit Accurate Personnel LLC- GAZ finders fee
12/31/2023	421001 - Professional Fees	RECLASS ENTRY OF SALARY EXPENSES to Salary Professional	9,750.00		Miranda Woodard, separate pay
12/31/2023	424101 - Salary	RECLASS ENTRY OF SALARY EXPENSES to Salary Professional		9,750.00	Miranda Woodard, separate pay
			33,847.50	33,847.50	

Need better classifications on the audit:

Ed – can you please address these items with Craig?

Under expenditures, Liability and audit should be one category. Employee benefits including Health Insurance/IMRF/FICA should be grouped with Salaries.

ADA compliance is a poor description of inclusion services. Inclusion salaries should be listed separately.

We should also identify the SLSF expenditures (with salaries separate) to tie out for GASB reporting (note G).

Present as:

Expenditure:

Special Recreation:

- Administration
- Program
- Liability & Audit
- Salaries & Benefits
- Inclusion Services
 - Salaries & Benefits
 - Expenditures
- SLSF Contributions
 - Salaries & Benefits
 - Expenditures

Note G - SLSF had uninsured deposits during the year. Staff-this needs to be corrected.

Can we please get a copy of the SLSF Audit? – I believe Nicolae sent this to you this afternoon.

Note H – please provide a breakdown of facility donation of \$68,831 (golf courses?). – This is the amount of money that the park districts would have charged SLSF for use of their locations for our fund-raising events. Many of them their handicapped accessible fund to pay themselves for the facility use.

Please provide detailed breakdown of the \$436,578 for donated services (i.e. salaries, benefits, expenses, grant writer, etc.). Please see exhibit 1 of the Adjusting Journal Entry report on the SLSF Audit that Nicolae sent you this afternoon.

Sale of fixed assets - \$1,435. Budget was for \$16,675. What was the \$1,435? Is this phones we declared surplus? Did we ever sell a bus? There is no record of disposals of fixed assets in the audit. (also appears in 2024 f/s). IN FY2023, the only assets sold were the filing cabinets, office furniture and other items that were sold through surplus ordinance. One bus was sold at through GovDeals for \$1,200. The other bus was an IDOT vehicle, and we are not allowed to sell these vehicles. Please see page 17 in the NW Audit for this entry.

Repairs on fleet vehicles were \$114,512 with a \$76,620 budget. This appears to be mainly one vendor (Bills Auto and Truck Repair). There should be a recommendation that this should be bid. We had unexpected repairs to the fleet such as, engine replacement (not on the vehicle repair list), mufflers etc. Due the specialized fleet that NWSRA, a mechanic that is well versed in the handicapped accessible needs. This includes: Safety lane testing (monthly), pick up and drop off services for the fleet when in the shop. During the budget process staff will consider can look into going to the RFP process with the few available auto repair shops that are familiar with this type of services and fleet.

Craig Talsma, CPA, CPRE

He/Him/His

Executive Director / Board Secretary

Hoffman Estates Park District

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