

MINUTES OF A MEETING OF THE FINANCE COMMITTEE OF THE PLEASURE DRIVEWAY AND PARK DISTRICT OF PEORIA, ILLINOIS HELD AT 5:00 PM WEDNESDAY, JUNE 14, 2023 AT THE NOBLE CENTER FOR PARK DISTRICT ADMINISTRATION, 1125 WEST LAKE AVENUE, PEORIA, ILLINOIS.

MEMBERS PRESENT: Trustee and Chair Timothy Bertschy, Trustee Reagan Leslie Hill, Trustee Steve Montez, and Executive Director Emily Cahill

MEMBERS ABSENT: None

TRUSTEES PRESENT: Trustees Timothy Bertschy, Joyce Harant (in at 5:18 pm), Reagan Leslie Hill, Steve Montez, Alexander Sierra, Vice President Laurie Covington and President Robert Johnson

STAFF PRESENT: Executive Director Emily Cahill, Lin Du, Matt Freeman, Becky Fredrickson, Scott Loftus, Shalesse Pie, Karrie Ross, Brent Wheeler, Attorney Bill Streeter, Attorney Kevin Day, and Alicia Woodworth

OTHERS PRESENT: Hope Wheeler, Principal and Brian Mateas, Director both from CliftonLarsonAllen

1. CALL TO ORDER

Trustee Bertschy presided and called the meeting to order at 5:02 pm.

2. ROLL CALL

3. CALL FOR A MOTION TO PERMIT MEMBER TO ATTEND MEETING ELECTRONICALLY

No request to attend meeting electronically was received.

4. MINUTES

4.A. Approval of May 24, 2023 Finance Committee Meeting Minutes

No minutes were presented at this time and will be available at the next meeting on June 14 for review and approval.

5. NEW BUSINESS

5.A. Audit Review with CliftonLarsenAllen

Karrie Ross stated that the purpose of today's meeting is to discuss the process and results of the 2022 audit performed by CliftonLarsenAllen (CLA). As such, she introduced Hope Wheeler from CLA who will provide an overview of the financial statements and single audit which was due to the amount of federal grant dollars received by the District.

Hope Wheeler stated that CLA is engaged to audit the District's annual financial statements, provide a governance communication letter, and a single audit report and data collection form. *Please see Attachment A.* The financial statement report and single audit report was submitted as an unmodified (clean) opinion. The Government Auditing Standard Report is a report on internal controls over financial reporting and on compliance and was submitted as an unmodified (clean) opinion. The financial statement report and single audit report (major federal program report) was submitted as an

unmodified (clean) opinion with \$785,587 federal expenditures report. The major program contributing to this was the Community Development Block Grant (City of Peoria). In regards to the new GASB 87 lease standard, Trustee Bertschy asked if on past statements, did the District reflect leases on the assets and liabilities accounting statements? Hope Wheeler stated that leases were reflected as operating leases and expensed as leases paid, expense income and it did not trigger a large asset and liability.

The Governance Communication Letter included the following information: Accounting Policies – one significant new accounting policy was adopted; GASB 87 leases, Estimates – net pension liabilities (assets) and OPEB liability, Difficulties – no difficulties with management and no disagreements encountered in accounting practices/audit procedures, and Other – uncorrected misstatements were attached and no material audit adjustments were necessary. CLA assisted with the new GASB 87 adjustments.

The largest 2022 revenue source as noted in the statement of activities is property taxes at \$16,834,977. The largest 2022 operating expense as noted in the statement of activities is personnel and benefits at \$13,013,102. The 2022 net position of cash and investments is \$42,511,050.

For the benefit of the Committee and new Board members, Trustee Bertschy asked Hope Wheeler to tell the Committee who CliftonLarsenAllen (CLA) is and provide some background information about the company. Hope Wheeler stated that CLA is the eighth largest public accounting firm in the nation. They are different than the top seven because CLA is in smaller and medium sized communities and focuses on smaller and medium sized companies. One thing special about CLA is that while they have many local offices in and near Peoria and the I-74 corridor, they specialize in certain industries such as state and local government. Accountants have the choice of what area they want to focus and work in and she chose local government that includes the Peoria Park District. Hope explained that she has been with CLA for 35 years, her entire career and is a great place to work.

President Johnson asked what is the workforce diversity like at CLA. Hope Wheeler stated that while she does not have the exact numbers, she does know that having a diverse workforce is a huge focus for CLA. She will look into it and provide more detailed information.

Trustee Bertschy stated that as Board members, Trustees have certain fiduciary responsibilities. It puts the onus upon Trustees to be familiar with the audit process and internal controls of the District. As such, what does CLA as the District's auditors see as Trustees' responsibility to CLA? Hope Wheeler stated that being assured the Trustees are getting all the financial records and information from staff on a regular basis in order to accurately affirm your approval. A lot of emphasis is on revenues and expenses but make sure you are reviewing the balance sheet as well. Also, learning and understanding what fraud prevention and detection reports can look like. CLA has a forensics group that focuses on fraud year-round. That group recently shared with her things the Board can do to make sure their fiduciary responsibility of making sure there are controls in place to

help prevent, detect and deter fraud. She will send that information to Karrie Ross to share with the Board.

6. PENDING BUSINESS

None at this time.

7. OTHER BUSINESS

None at this time.

8. ACTION STEPS REVIEW

None given at this time.

9. ADJOURNMENT

At 5:58 p.m., Executive Director Cahill MOVED TO ADJOURN. Motion seconded by Trustee Bertschy and carried on a unanimous aye of those present.

Respectfully Submitted by Alicia Woodworth
Executive Assistant and Secretary to the Board



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Peoria Park District

Audit Presentation
Year-Ended December 31, 2022



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Audit Deliverables



Audited Financial Statements
(ACFR)



Governance Communication
Letter



Single Audit Reports and Data
Collection Form



Governance Communication Letter

Accounting Policies

- One significant new accounting policy was adopted; GASB 87, *Leases*

Estimates

- Net pension liabilities (assets)
- OPEB liability

Difficulties

- No difficulties with management
- No disagreements encountered in accounting practices/audit procedures

Other

- Uncorrected misstatements attached
- No material audit adjustments; we assisted with new GASB 87 adjustments



Financial Statement Report and Single Audit Report

- *Audit Report* –
 - Unmodified (clean) opinion
- *Government Auditing Standards Report* –
Report on internal controls over financial reporting and on compliance
 - Unmodified (clean) opinion



Financial Statement Report and Single Audit Report (continued)

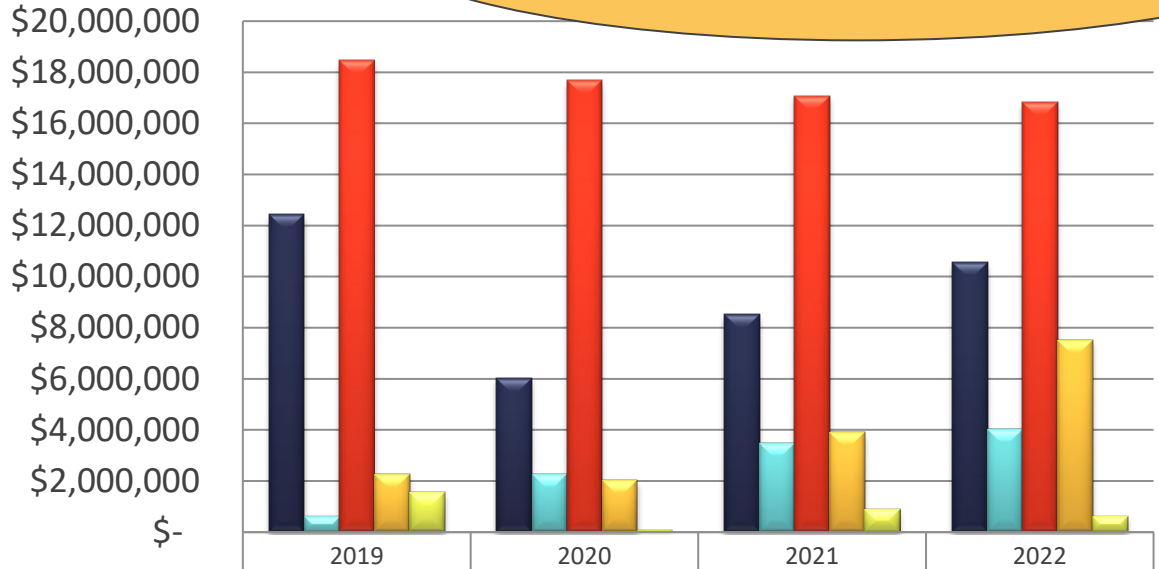
- *Major Federal Program Report –*
 - Unmodified (clean) opinion
 - \$785,587 federal expenditures reported
 - 1 major program this year:
 - Community Development Block Grant (the City of Peoria)



STATEMENT OF ACTIVITIES

Revenues

Main increases in revenue are charges for services bouncing back from the pandemic, increased replacement taxes, and more emphasis on grants and donations.



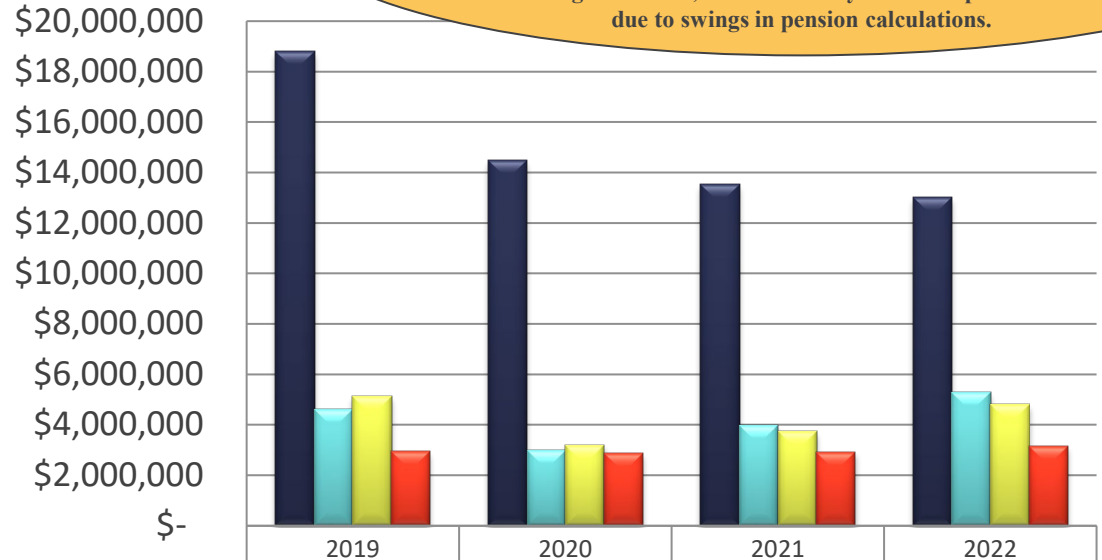
| | 2019 | 2020 | 2021 | 2022 |
|--------------------------|--------------|--------------|--------------|--------------|
| Charges for Services | \$12,440,290 | \$6,030,601 | \$8,501,713 | \$10,553,368 |
| Contributions and Grants | \$599,442 | \$2,273,082 | \$3,459,290 | \$4,007,083 |
| Property Taxes | \$18,456,510 | \$17,670,530 | \$17,072,601 | \$16,834,977 |
| Replacement Taxes | \$2,265,016 | \$2,024,343 | \$3,906,091 | \$7,507,334 |
| Miscellaneous | \$1,544,803 | \$70,679 | \$896,320 | \$629,519 |



STATEMENT OF ACTIVITIES

Operating Expenses

Due to the negative revenue impacts from the COVID-19 pandemic, the District had to mitigate expenses as much as possible in 2020. During 2021 and 2022, operating expenses increased due to District operations beginning to normalize. Personnel expenses increased due to hiring of additional staff, as well as wage increases, and is offset by benefit expense decreasing due to swings in pension calculations.



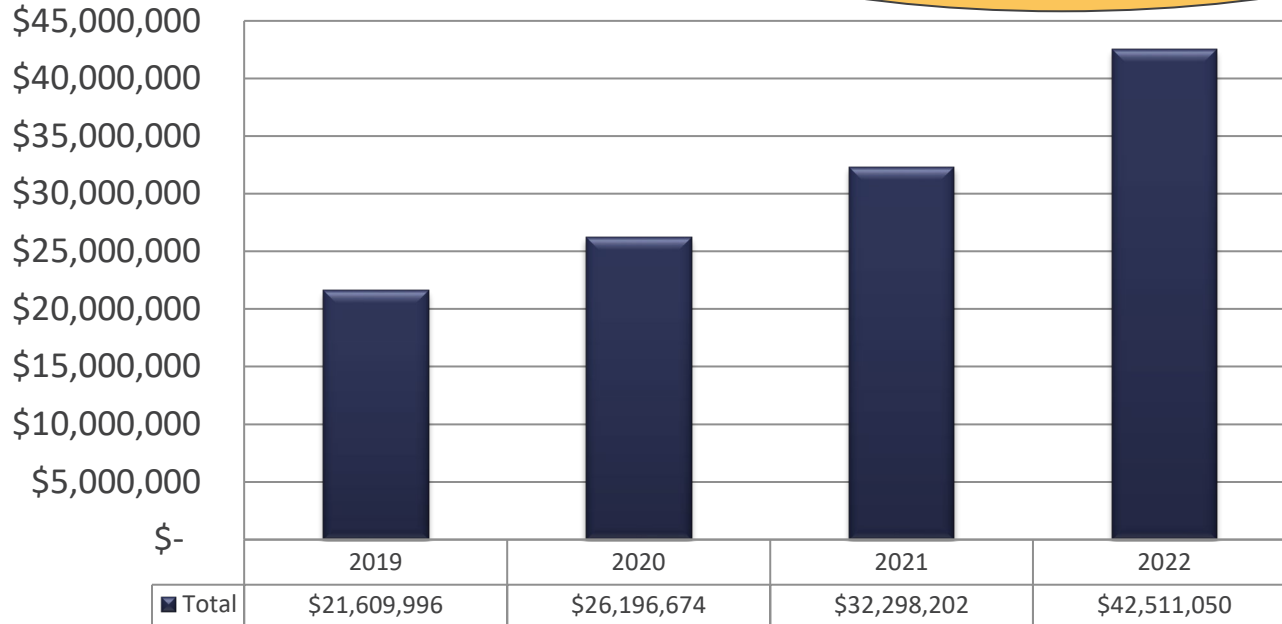
| | 2019 | 2020 | 2021 | 2022 |
|---------------------------------|--------------|--------------|--------------|--------------|
| ■ Personnel and Benefits | \$18,794,096 | \$14,477,185 | \$13,520,394 | \$13,013,102 |
| ■ Supplies | \$4,609,637 | \$2,996,089 | \$3,997,217 | \$5,281,482 |
| ■ Services | \$5,113,327 | \$3,190,935 | \$3,726,009 | \$4,793,394 |
| ■ Depreciation and Amortization | \$2,937,117 | \$2,880,369 | \$2,921,042 | \$3,151,482 |



STATEMENT OF NET POSITION

Cash and Investments

This shows a positive increase in cash and investment balances over the four-year period



Questions / Discussion

Hope Wheeler, CPA

Principal

Hope.Wheeler@CLAconnect.com

Brian Mateas, CPA

Director

Brian.Mateas@CLAconnect.com



CLAconnect.com



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