

**CRYSTAL LAKE PARK
DISTRICT, ILLINOIS**

MANAGEMENT LETTER

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2020**



September 25, 2020

Members of the Board of Commissioners
Crystal Lake Park District, Illinois

In planning and performing our audit of the financial statements of the Crystal Lake Park District (District), Illinois, for the year ended April 30, 2020, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board, Executive Director and senior management of the Crystal Lake Park District, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Park District personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well-prepared audit package and we appreciate the courtesy and assistance given to us by the entire Park District staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

PRIOR RECOMMENDATION

1. FUNDS NOT IN COMPLIANCE WITH FUND BALANCE POLICY

Comment

Previously and during our current year-end audit procedures, we noted the following funds with fund balances that were not in compliance with the boards approved fund balance policy:

	Per 2019 Budget	Fund Balance per CAFR	Amount Not In Compliance
Racket Club			
Expenditures	1,346,269		
X's 25% per Policy	25%		
	336,567	131,584	204,983
	Per 2020 Budget	Fund Balance per CAFR	Amount Not In Compliance
Racket Club			
Expenditures	991,385		
X's 20% per Policy	20%		
	198,277	103,325	94,952

Recommendation

We recommended the District investigate the fund balances and adopt future budgets to address the above funds that are not in compliance with the District's fund balance policy.

Management Response

The Racket Club is not in compliance with the fund balance policy due to several operational and facility updates completed with the objective of increasing usage and operational savings. The impact of COVID-19 on the Racket Club's fund balance erased some progress made in previous years. 20% is a good target but the Board and Staff recognize it will take several years to reach. This Fund is monitored closely monthly.

Status

This comment has not been implemented and will be repeated in the future.