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MINUTES
ADMINISTRATION & FINANCE COMMITTEE
June 23, 2026

1. **Roll Call:**

A regular meeting of the Hoffman Estates Park District Administration and Finance Committee was held on June 23, 2026, at 7:05 p.m. at the Triphahn Center in Hoffman Estates, IL.

Present: Comm Reps Henderson and Wilson, Chairman McGinn, Commissioner Kaplan, President Friedman

Absent: Comm Reps Harner and Musial

Also Present: Executive Director Talsma, Deputy Director Bechtold, Director of Administrative Services Rivas, Director of Finance Vogt, Director of Recreation Sweeney, Executive Assistant Flynn

Audience: President Friedman, Commissioners Chhatwani, Dressler, Evans, MacGregor (7:14); Maggie Dowling; Auditor Kellen O'Malley

2. **Approval of Agenda:**

Commissioner Kaplan made a motion, seconded by Comm Rep Harner to approve the agenda as presented. The motion carried by voice vote.

3. **Approval of the Minutes:**

President Friedman made a motion, seconded by Commissioner Kaplan to approve the minutes of the May 26, 2026, meeting as presented. The motion carried by voice vote.

4. **Comments from the Audience:**

None.

5. **Old Business:**

None.

6. <u>New Business:</u>

A. 2025 Audit / M26-056

Comm Rep Harner made a motion, seconded by Commissioner Kaplan to recommend to the full board the acceptance of the final annual audit and related Annual Comprehensive Financial Report for the fiscal year ended December 31, 2025, as presented by Sikich CPA LLC.

Executive Director Talsma introduced Kellen O'Malley, the director from Sikich, in charge of our audit this year. He also said we had some staff changes this year, thanked current staff for their work, and for cleaning up any issues from the prior year.

Kellen O'Malley highlighted the following in the audit:

- As part of the audit, Sikich issued the ACFR, a board communication report, and an IFER, which is required with grant funding.
- He noted the AICPA standards and the GASB standards, which sets the rules for governmental entities, and was pleased to present an unmodified opinion, free from material misstatements.
- Regarding grant spending, the district showed no deficiencies, and no instances of noncompliance.
- Noted in the statement of activities, the District had an increase of $2.2 million in the fiscal year.
- The capital projects fund did not calculate as a major fund this year.
- The general fund had a net decrease in fund balance of $1.3 million.
- IMRF has a valuation completed annually, one year in arrears, due to when they release their information. The District's IMRF is 98.2% funded.
- Thank you to all staff for their hard work and assistance.

President Friedman asked if the GASB rules are different than the AICPA rules. Executive Director Talsma explained that the AICPA are rules we are required to follow. The GASB is how it is reported as a governmental entity. Their goal is to make the statements easier to read and fully disclose to the public all of their financial operations.

The motion carried by voice vote.

B. SD54 STAR Agreement 2026-2027 / M26-057

Comm Rep Harner made a motion, seconded by Commissioner Kaplan to recommend to the full board the approval of the amendment to the Intergovernmental Cooperation Agreement regarding use of the facilities between School District 54 and the Hoffman Estates Park District's 2026-2027 STAR program for July 1, 2026, to June 30, 2027.

Executive Director Talsma noted this is a one-year extension for the STAR before/after care program. The fees have remained the same.

The motion carried by voice vote.

C. BPC Husqvarna Ceora Autonomous Mower Purchase / M26-054

Comm Rep Harner made a motion, seconded by Commissioner Kaplan to recommend to the full board to purchase the Demo Unit Husqvarna Ceora autonomous mower for the Bridges of Poplar creek from TurfWerks at a cost of $30,000.

Deputy Director Bechtold noted the following:

- The District has been investigating autonomous mowers in recent years.
- This unit would specifically be used to mow the driving range.
- This provides continuous mowing versus once/week mowing. It also knock golf balls out of the way; provides a cleaner look; saves labor hours to do more detail work elsewhere.
- The razor blades are switched out every couple months. The unit will stop and the blades will go into hibernation mode if it senses anything in the way.
- We have demoed this unit for two months now, and purchasing the demo saves $15,000 over buying brand new.
- This purchase was in the capital plan for 2027, but if purchased now it saves the $15,000.

Comm Rep Harner asked if we considered using these on the fairways. Deputy Director Bechtold said we have, but we would need 14 units for the amount of time it takes.

Commissioner Dressler asked if the demo was just ours or if it was previously used. Deputy Director Bechtold said it was used in a couple of other places, but is new this year and we have had no issues with it.

The motion carried by voice vote.

D. Administration, Finance & IT Report / M26-055

Commissioner Kaplan made a motion, seconded by Comm Rep Harner to include the report in the Executive Director's Report.

Director Vogt noted that we have a new Finance Manager starting July 6, Dhyani Thakkar. She has been working part-time in Elgin tutoring, but with several finance roles before that.

Commissioner McGinn asked how the IMRF reporting is going. Director Vogt said we are still working with them. They went through a software conversion that was very challenging.

The motion carried by voice vote.

E. Open and Paid Invoice Register: $1,931,695.83

Commissioner Friedman made a motion, seconded by Commissioner Kaplan to approve the Open and Paid Invoice register as presented.

The motion carried by voice vote.

F. <u>District Wide Operations Statement and Revenue and Expenditure Report</u>

Comm Rep Harner made a motion, seconded by Commissioner Kaplan to approve the financial reports.

The motion carried by voice vote.

7. <u>Committee Member Comments:</u>

Comm Rep Harner announced the third annual Hope Fore Hoffman golf outing will be July 22 at Bridges of Poplar Creek.

Commissioner McGinn thanked Executive Director Talsma and staff for securing a successful audit.

8. <u>Adjournment:</u>

Comm Rep Harner made a motion, seconded by Commissioner Kaplan to adjourn the meeting at 7:46 p.m. The motion carried by voice vote.

Respectfully submitted,

Craig Talsma
Secretary

Cindy Flynn
Executive Assistant

The following questions were asked and answered via email prior to the meeting:

1) GASB 103 - will this have a major impact on the park district's financial statements next year? Is implementation of this statement able to be done by park district's staff or will it require Sikich assistance which then would need to be budgeted for outside audit fee?

GASB 103 will apply to the Park District's financial statements for the year ending December 31, 2026. It is not expected to have a major effect on the District's underlying accounting records, revenues, expenditures, fund balances, or net position. Its primary impact will be on the presentation and explanation of information in the Annual Comprehensive Financial Report (ACFR).

2) This question is for the auditor - In my professional experience twelve adjustments with eight being material is a lot for an organization the park district's size and would have triggered a deficiency in internal control yet no such deficiency was reported by the auditors. Are these adjustments normally ones the park district's staff relies on the auditors to make as part of the audit or should district staff be identifying and making these adjustments as part of their year-end close? I do not recall any uncorrected misstatements reported by the prior auditors. Maybe these same adjustments were made but the prior auditors chose not to report as uncorrected misstatements?

Management's Discussion and Analysis (MD&A) will place greater emphasis on explaining why significant financial changes occurred. This approach is largely consistent with the 2025 MD&A. For example, rather than simply noting that the General Fund decreased by $1.3 million, page 8 of the MD&A explains that the decrease was primarily due to planned capital outlay and continued investment in District facilities and infrastructure.

Required budgetary comparison information will move from the basic financial statements to Required Supplementary Information (RSI) and will include required original-to-final and final-to-actual budget variance columns. Certain financial trend schedules in the statistical section may also require modification.

As part of the normal audit and ACFR preparation process, the District expects to coordinate with Sikich regarding the final presentation and application of the new requirements. At this time, we do not anticipate additional audit fees.

Regarding the audit adjustments:

Entry 1 was a timing difference for a year end amount received believed to be part of the previous year. This would be aa staff entry.

Entries 2 through 7 are annual financial-statement conversion entries used to convert governmental fund accounting to government-wide financial statements. These entries are usually done by the auditors.

Entries 9 through 11 relate to GASB 87 lease accounting and have historically been prepared by the District's auditors. These entries are usually done by the auditors.

Entry 8 records a grant receivable and unavailable revenue. This reflects a difference in guidance received from the District's current and prior auditors. In prior years, the District was advised not to record certain state grant receivables because the state would not confirm the amounts as valid receivables. Sikich concluded that the receivable should be recorded, with the related revenue classified as unavailable under modified-accrual accounting.

The adjustments really had no relationship with our internal controls, as these types of adjustments are usually done by the auditors for park districts; this is why no discussion in the past as well. However, with our new staff in place, we will be preparing many of these in-house for future audits, so that we also maintain the information for the government wide statements.

3) Page 61 of audit report - long term debt requirements issue date November 2017 - right side of table shows interest due June 1, 2025, to 2031. Should that be 2026 to 2032? And, therefore, should amounts be different?

Regarding the debt schedule on page 61, the years shown in the right-hand portion of the schedule are incorrect. The columns should reflect the years 2026 through 2032. The amounts reported in the schedule are correct; only the year labels require correction.