

Selden Fox

Accounting for your future

619 Enterprise Drive | Oak Brook, Illinois 60523 | www.seldenfox.com
p 630.954.1400 | f 630.954.1327 | email@seldenfox.com

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

June 11, 2020

Members of the Administrative Board
Sugar Creek Golf Course
Villa Park, Illinois

We have audited the financial statements of **Sugar Creek Golf Course, Illinois (Sugar Creek)**, for the year ended December 31, 2019, and have issued our report thereon dated June 11, 2020. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 2, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. The financial statements are the responsibility of management with your oversight. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management prior to field work beginning on April 6, 2020, and in our engagement letter dated January 2, 2020.

We address significant risks of material misstatement, whether due to error or fraud, by performing analytical procedures, making inquiries of those charged with governance, by observation and inspection, and by brainstorming with our audit team members. We use judgment to determine what a user of the financial statements would consider to be material in assessing the risk of misstatement. We also use judgment to determine our approach to internal control and further audit procedures relevant to significant audit areas. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Sugar Creek are described in Note I to the financial statements. There were no new accounting policies adopted and the application of existing policies did not change during the year ended December 31, 2019.

As discussed in Note IV to the financial statements, the Elmhurst Park District allocated a portion of its net pension liability computed in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* in the current year.

We noted no transactions entered into by the Golf Course during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were four adjusting journal entries, three of which were provided by management after the start of field work, that are included in Exhibit 1. Management has corrected these misstatements. There were no uncorrected adjusting journal entries.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 11, 2020.

Significant Audit Findings (cont'd)

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. Sugar Creek is accounted for as an enterprise fund of the Elmhurst Park District. The Elmhurst Park District has engaged another audit firm to audit their financial statements.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Sugar Creek’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

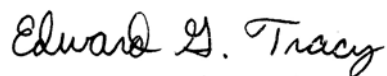
Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Administrative Board and management of Sugar Creek, the Board of Commissioners and management of the Elmhurst Park District, and the Board of Trustees and management of the Village of Villa Park, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

SELDEN FOX, LTD.



Edward G. Tracy
Executive Vice President

EGT/cr

**Sugar Creek Golf Course, Illinois
Adjusting Journal Entries
For the Year Ended December 31, 2019**

Account	Description	Debit	Credit	P&L Increase (Decrease)
Adjusting Journal Entry JE # 1				
Client entry to record net pension liability under GASB Statement 68.				
80.00.1990.0000	Deferred Outflows - Pension	\$ 36,443.00	\$ -	\$ -
80.00.2900.0000	Retained Earnings	104,410.00		
80.00.5040.0000	Illinois Municipal Retirement Fund	12,431.00		
80.00.2804.0000	Net Pension Liability		86,622.00	
80.00.2890.0000	Deferred Inflows - Pension		66,662.00	(12,431.00)
Adjusting Journal Entry JE # 2				
Reconcile net position to prior year audit report.				
80.00.2752.0000	EPD Loan-Driving Range	21.28		
80.00.2900.0000	Retained Earnings		21.28	-
Adjusting Journal Entry JE # 3				
Reclassify current portion of long-term debt for report presentation.				
80.00.2801.0000	RJE - Noncurrent - Debt	211,250.00		
80.00.2800.0000	RJE - Current - Debt		211,250.00	-
Adjusting Journal Entry JE # 4				
Reclassify compensated absences payable for report presentation.				
80.00.2600.0000	Accrued Wages Payable	26,176.16		
80.00.2802.0000	RJE - Current - Compensated Absences		5,235.23	
80.00.2803.0000	RJE - Noncurrent - Compensated Absences		20,940.93	-
				<u>\$ (12,431.00)</u>