



August 24, 2018

Board of Commissioners  
Freeport Park District  
Freeport, IL 61032

Dear Board of Commissioners:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Freeport Park District (the “Park District”) for the year ended March 31, 2018, and have issued our report thereon dated August 24, 2018. Professional standards require that we provide you with the following information related to our audit:

**Our Responsibility Under Auditing Standards Generally Accepted in the United States**

As stated in our engagement letter dated December 1, 2017, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Park District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

**Required Supplementary Information Accompanying Audited Financial Statements**

We applied certain limited procedures to the management’s discussion and analysis, budgetary comparison information, the schedule of contributions for IMRF, and the schedule of changes in net pension liability for IMRF, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

## **Supplementary Information in Documents Containing Audited Financial Statements**

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, 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.

## **Other Information in Documents Containing Audited Financial Statements**

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We are not aware of any documents or other information containing audited financial statements, and furthermore management has not requested us to devote attention to any documents containing audited financial statements.

## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to your representative, Vickie Witt, in our engagement letter dated December 1, 2017, accepted by Jack Carey.

## **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Park District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018.

We noted no transactions entered into by the Park District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are management's estimate of useful lives of fixed assets and the actuarial assumptions related to the pension disclosures.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

## **Difficulties Encountered in Performing the Audit**

We encountered no 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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. The attached listing of adjusting journal entries were misstatements noted during our audit and were corrected by management.

## **Disagreements With Management**

For purposes of this letter, a disagreement with management is 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 August 24, 2018, a copy of which accompanies this letter.

## **Management Consultations With Other 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 the application of an accounting principle to the Park District'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 of the relevant facts. To our knowledge, there were no such consultations with other accountants.

## **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 the Park District's. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

## **Internal Control Matters**

In planning and performing our audit of the financial statements of Freeport Park District (the "Park District") as of and for the year ended March 31, 2018, in accordance with auditing standards generally accepted in the United States, we considered Freeport Park District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Park District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We consider the following deficiencies in internal control to be significant deficiencies:

### **Segregation of Duties**

The Freeport Park District currently has inadequate segregation of duties within the cash receipt and cash disbursement functions. The Office Manager currently has authority to disburse monies, sign checks, and access the general ledger. This combination of procedures increases the likelihood that errors or misappropriation of assets could occur. One of the basic tenets of good internal control is to separate the recording of cash from the physical handling of cash.

While we also recognize that ultimate controls cannot be implemented with your current number of employees, we believe that strong supervision and review by the Executive Director and Board of Commissioners will compensate for some of these weaknesses. Therefore, it is important that you recognize that regular and active involvement by the Board of Commissioners as a whole is an integral and critical area within the District's system of internal control.

#### *Effect:*

Without adequate segregation of duties, the likelihood that unauthorized or false transactions will be prevented or detected in a timely fashion is significantly diminished which may result in misstated financial statements.

### **Financial Statements Preparation**

A client's internal control over financial reporting does not end at the general ledger, but extends to the financial statements and notes. As part of our professional services for the year ended March 31, 2018, Wipfli assisted in drafting the financial statements and related notes. The Park District does not have sufficient expertise to completely prepare its own financial statements disclosures. Because the Park District relies on Wipfli to provide the necessary understanding of current accounting and disclosure principles in the preparation of the financial statements, a significant deficiency exists in the Park District's internal controls.

#### *Effect:*

The completeness of the financial statement disclosures and the accuracy of the overall financial presentation is negatively impacted as outside auditors do not have the same comprehensive understanding of the Park District as its internal financial staff.

We appreciate the opportunity to be of service to Freeport Park District.

This communication is intended solely for the information and use of management, the Board of Commissioners, others within the District, and includes a description of the scope of our testing of internal controls over financial reporting and the results of that testing. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

*Wipfli LLP*

Wipfli LLP

Enc.

**Freeport Park District**

**Year End: March 31, 2018**

**Adjusting journal entries**

**Date: 4/1/2017 To 3/31/2018**

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence
1	3/31/2018	TAXES RECEIVABLE	101100-141000 GEN	D. 2	805,118.00		
1	3/31/2018	DEFERRED TAXES	101100-230400 GEN	D. 2		-805,118.00	
1	3/31/2018	TAXES RECEIVABLE	201100-141000 REC	D. 2	425,013.00		
1	3/31/2018	DEFERRED TAXES	201100-230400 REC	D. 2		-425,013.00	
1	3/31/2018	TAXES RECEIVABLE	221100-141000 SPREC	D. 2	81,765.00		
1	3/31/2018	DEFERRED TAXES	221100-230400 SPREC	D. 2		-81,765.00	
1	3/31/2018	TAXES RECEIVABLE	251100-141000 MUSEUM	D. 2	143,088.00		
1	3/31/2018	DEFERRED TAXES	251100-230400 MUSEUM	D. 2		-143,088.00	
1	3/31/2018	TAXES RECEIVABLE	401100-141000 POLICE	D. 2	51,103.00		
1	3/31/2018	DEFERRED TAXES	401100-230400 POLICE	D. 2		-51,103.00	
1	3/31/2018	TAXES RECEIVABLE	601100-141000 AUDIT	D. 2	10,221.00		
1	3/31/2018	DEFERRED TAXES	601100-230400 AUDIT	D. 2		-10,221.00	
1	3/31/2018	TAXES RECEIVABLE	701100-141000 RETIRE	D. 2	163,611.00		
1	3/31/2018	DEFERRED TAXES	701100-230400 RETIRE	D. 2		-163,611.00	
1	3/31/2018	TAXES RECEIVABLE	801100-141000 DS	D. 2	529,652.00		
1	3/31/2018	DEFERRED TAXES	801100-230400 DS	D. 2		-529,652.00	

To record property tax receivable  
and deferral for the current property tax levy (Vickie, please reverse this entry)

Recurring

2	3/31/2018	2016 BOND ISSUE	801100-472002 DS	AA. 1			
2	3/31/2018	TRANS BONDS PROCEEDS FROM CI	801100-580010 DS	AA. 1		-582,469.00	
2	3/31/2018	INTEREST EXPENSE 2007 (2M)	801100-611004 DS	AA. 1	22,469.00		
2	3/31/2018	BOND PRINCIPAL 2007 (2M)	801100-611504 DS	AA. 1	560,000.00		
2	3/31/2018	2017 BOND ISSUE	901100-472011 CP	AA. 1		-582,469.00	
2	3/31/2018	TRANSFER TO B&I RETIRE BONDS	901100-580201 CP	AA. 1	582,469.00		

To reclassify bond issuance accounting

Recurring

3	3/31/2018	ACCRUED SALARIES	101100-220000 GEN	FF. 1		-5,053.00	
3	3/31/2018	DIRECTOR	101100-510005 GEN	FF. 1	238.00		
3	3/31/2018	OFFICE MANAGER	101100-510006 GEN	FF. 1	507.00		
3	3/31/2018	PR SPECIALISTS	101100-510007 GEN	FF. 1	337.00		
3	3/31/2018	MAINTENANCE SUPERVISOR	101100-510205 GEN	FF. 1	860.00		
3	3/31/2018	YEAR AROUND MAINTENANCE	101100-510210 GEN	FF. 1	1,994.00		
3	3/31/2018	SEASONAL MAINTENANCE	101100-510230 GEN	FF. 1	1,117.00		

3	3/31/2018	ACCRUED SALARIES	201100-220000 REC	FF. 1	-4,635.00
3	3/31/2018	DIRECTOR	201100-510005 REC	FF. 1	331.00
3	3/31/2018	OFFICE MANAGER	201100-510006 REC	FF. 1	212.00
3	3/31/2018	SECRETARY	201100-510007 REC	FF. 1	135.00
3	3/31/2018	SUPERINTENDENT OF RECREATION	201100-510100 REC	FF. 1	995.00
3	3/31/2018	ATHLETIC SUPERVISOR	201100-510101 REC	FF. 1	784.00
3	3/31/2018	TR & COMM REC SUPERVISOR	201100-510102 REC	FF. 1	124.00
3	3/31/2018	MAINTENANCE SUPERVISOR	201100-510205 REC	FF. 1	113.00
3	3/31/2018	YEAR AROUND MAINTENANCE	201100-510210 REC	FF. 1	1,304.00
3	3/31/2018	SEASONAL MAINTENANCE	201100-510230 REC	FF. 1	196.00
3	3/31/2018	BUNNY TRAIL	205216-591546 REC	FF. 1	27.00
3	3/31/2018	TAI CHI	205217-591410 REC	FF. 1	56.00
3	3/31/2018	GUARD START	205315-591606 REC	FF. 1	215.00
3	3/31/2018	POOL MANAGERS	205328-510601 REC	FF. 1	111.00
3	3/31/2018	CONCESSION SUPERVISOR	205429-510800 REC	FF. 1	12.00
3	3/31/2018	MINI-GOLF SALARIES	205435-510607 REC	FF. 1	8.00
3	3/31/2018	CONCESSION SUPERVISOR	205435-510800 REC	FF. 1	12.00
3	3/31/2018	ACCRUED SALARIES	221100-220000 SPREC	FF. 1	-1,401.00
3	3/31/2018	OFFICE MANAGER	221100-510006 SPREC	FF. 1	101.00
3	3/31/2018	SECRETARY	221100-510007 SPREC	FF. 1	101.00
3	3/31/2018	SUPERINTENDENT OF RECREATION	221100-510100 SPREC	FF. 1	426.00
3	3/31/2018	TR & COMM REC SUPERVISOR	221100-510102 SPREC	FF. 1	703.00
3	3/31/2018	S.O. SOCCER	225515-591717 SPREC	FF. 1	23.00
3	3/31/2018	S.O. TRACK & FIELD	225515-591720 SPREC	FF. 1	29.00
3	3/31/2018	ARTS AND CRAFTS	225515-591737 SPREC	FF. 1	6.00
3	3/31/2018	SPECIAL REC. BOWLING	225515-591754 SPREC	FF. 1	12.00
3	3/31/2018	ACCRUED SALARIES	251100-220000 MUSEUM	FF. 1	-2,449.00
3	3/31/2018	DIRECTOR	251100-510005 MUSEUM	FF. 1	329.00
3	3/31/2018	OFFICE MANAGER	251100-510006 MUSEUM	FF. 1	101.00
3	3/31/2018	SECRETARY	251100-510007 MUSEUM	FF. 1	101.00
3	3/31/2018	MUSEUM CURATORS	251100-510010 MUSEUM	FF. 1	293.00
3	3/31/2018	EXECUTIVE DIRECTOR OF MUSEUM	251100-510150 MUSEUM	FF. 1	659.00
3	3/31/2018	MAINTENANCE SUPERVISOR	251100-510205 MUSEUM	FF. 1	205.00
3	3/31/2018	YEAR AROUND MAINTENANCE	251100-510210 MUSEUM	FF. 1	565.00
3	3/31/2018	SEASONAL MAINTENANCE	251100-510230 MUSEUM	FF. 1	196.00
3	3/31/2018	ACCRUED SALARIES	301100-220000 GC	FF. 1	-5,182.00
3	3/31/2018	GOLF COURSE SUPERINTENDENT	301100-510300 GC	FF. 1	1,777.00
3	3/31/2018	PRO/MANAGER SALARY	301100-510302 GC	FF. 1	886.00
3	3/31/2018	PROSHOP SALARIES	301100-510306 GC	FF. 1	26.00
3	3/31/2018	1ST ASST GREENSKEEPER	301100-510308 GC	FF. 1	828.00
3	3/31/2018	2ND ASST GREENSKEEPER	301100-510330 GC	FF. 1	694.00
3	3/31/2018	GOLF COURSE MECHANIC	301100-510332 GC	FF. 1	853.00
3	3/31/2018	LESSONS	302125-510575 GC	FF. 1	50.00
3	3/31/2018	CLUB REPAIRS	302125-510590 GC	FF. 1	68.00
3	3/31/2018	ACCRUED SALARIES	401100-220000 POLICE	FF. 1	-312.00
3	3/31/2018	PARK RANGERS	401100-510375 POLICE	FF. 1	93.00
3	3/31/2018	POLICE COORDINATOR	401100-510415 POLICE	FF. 1	219.00

3	3/31/2018	ACCRUED SALARIES	501100-220000 TORT	FF. 1	-1,055.00
3	3/31/2018	DIRECTOR	501100-510005 TORT	FF. 1	901.00
3	3/31/2018	PARK RANGERS	501100-510375 TORT	FF. 1	105.00
3	3/31/2018	POLICE COORDINATOR	501100-510415 TORT	FF. 1	23.00
3	3/31/2018	POLICE	501100-510501 TORT	FF. 1	26.00

to record accrued payroll (Vickie,  
please reverse this entry) Recurring

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6	3/31/2018	GELWICK'S TRUST FUND	201100-111001 REC	B. 1	1,111.00
6	3/31/2018	MISCELLANEOUS	203100-536000 REC	B. 1	-556.00
6	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	205100-420147 REC	B. 1	-804.00
6	3/31/2018	REALIZED GAIN ON INVESTMENTS	205100-420153 REC	B. 1	227.00
6	3/31/2018	GELWICKS TRUST ACCT	205100-420156 REC	B. 1	657.00
6	3/31/2018	GELWICKS TRUST FUND INTEREST	205100-450200 REC	B. 1	-635.00

To record Gelwick investment  
account activity Recurring

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8	3/31/2018	Interest Receivable	151100-142000 CP		967.00
8	3/31/2018	INTEREST INVESTMENT	151100-420150 CP		-967.00
8	3/31/2018	Interest Receivable	211100-142000 CP		222.00
8	3/31/2018	INTEREST INVESTMENT	211100-420150 CP		-222.00
8	3/31/2018	Interest Receivable	301100-142000 GC		2,989.00
8	3/31/2018	INTEREST INVESTMENT	301100-420150 GC		-2,989.00
8	3/31/2018	Interest Receivable	311100-142000 GC		131.00
8	3/31/2018	INTEREST INVESTMENT	311100-420150 GC		-131.00
8	3/31/2018	Interest Receivable	351100-142000 GC		1,153.00
8	3/31/2018	INTEREST INVESTMENT	351100-420150 GC		-1,153.00
8	3/31/2018	Interest Receivable	501100-142000 TORT		1,746.00
8	3/31/2018	INTEREST INVESTMENT	501100-420150 TORT		-1,746.00
8	3/31/2018	Interest Receivable	601100-142000 AUDIT		67.00
8	3/31/2018	INTEREST INVESTMENT	601100-420150 AUDIT		-67.00
8	3/31/2018	Interest Receivable	701100-142000 RETIRE		1,337.00
8	3/31/2018	INTEREST INVESTMENT	701100-420150 RETIRE		-1,337.00
8	3/31/2018	Interest Receivable	851100-142000 GC		132.00
8	3/31/2018	INTEREST INVESTMENT	851100-420150 GC		-132.00
8	3/31/2018	Interest Receivable	900500-142000 CP		1,106.00
8	3/31/2018	INTEREST INVESTMENT	900500-420150 CP		-1,106.00
8	3/31/2018	Interest Receivable	901100-142000 CP		3,061.00
8	3/31/2018	INTEREST INVESTMENT	901100-420150 CP		-3,061.00
8	3/31/2018	Interest Receivable	902100-142000 CP		13.00
8	3/31/2018	INTEREST INVESTMENT	902100-420150 CP		-13.00

To record accrued interest on  
investments (Vickie, please reverse this entry) Recurring

12	3/31/2018	PARK HILLS INVENTORY	301100-121201 GC	E.1/DD. 2	16,927.00
12	3/31/2018	ACCOUNTS/VOUCHER PAYABLE	301100-210000 GC	E.1/DD. 2	-16,927.00

To record additional payable per  
search for unrecorded (Vickie, please reverse this entry) Recurring

13	3/31/2018	INVESTMENTS	151100-111000 CP		-1,304.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	151100-420147 CP		1,304.00
13	3/31/2018	INVESTMENTS	211100-111000 CP		-299.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	211100-420147 CP		299.00
13	3/31/2018	INVESTMENTS	301100-111000 GC		-4,031.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	301100-420147 GC		4,031.00
13	3/31/2018	INVESTMENTS	311100-111000 GC		-177.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	311100-420147 GC		177.00
13	3/31/2018	INVESTMENTS	351100-111000 GC		-1,554.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	351100-420147 GC		1,554.00
13	3/31/2018	INVESTMENTS	501100-111000 TORT		-2,355.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	501100-420147 TORT		2,355.00
13	3/31/2018	INVESTMENTS	601100-111000 AUDIT		-90.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	601100-420147 AUDIT		90.00
13	3/31/2018	INVESTMENTS	701100-111000 RETIRE		-1,802.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	701100-420147 RETIRE		1,802.00
13	3/31/2018	INVESTMENTS	851100-111000 GC		-178.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	851100-420147 GC		178.00
13	3/31/2018	INVESTMENTS	900500-111000 CP		-1,492.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	900500-420147 CP		1,492.00
13	3/31/2018	INVESTMENTS	901100-111000 CP		-4,128.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	901100-420147 CP		4,128.00
13	3/31/2018	INVESTMENTS	902100-111000 CP		-17.00
13	3/31/2018	UNREALIZED GAIN ON INVESTMENTS	902100-420147 CP		17.00

To record unrealized g/l on investments Recurring

14	3/31/2018	ACCRUED VACATION PAY	301100-220005 GC		2,009.00
14	3/31/2018	COMPENSATED ABSENCES-LONG TERM	301100-220010 GC		-4,294.00
14	3/31/2018	GOLF COURSE SUPERINTENDENT	301100-510300 GC		2,285.00

To adjust accrued vacation to actual Recurring

15	3/31/2018	ACCRUED SALARIES	101100-220000 GEN		-400.00
15	3/31/2018	DIRECTOR	101100-510005 GEN		400.00
15	3/31/2018	ACCRUED SALARIES	201100-220000 REC		-471.00
15	3/31/2018	DIRECTOR	201100-510005 REC		471.00

15	3/31/2018	ACCRUED SALARIES	501100-220000 TORT	-1,000.00
15	3/31/2018	DIRECTOR	501100-510005 TORT	1,000.00

To record Jack's additional retro  
pay

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16	3/31/2018	CASH/CHECKING - CURRENT YEAR	101100-110000 GEN	-10,000.00
16	3/31/2018	CORP TRANSFER	101100-580300 GEN	10,000.00
16	3/31/2018	CASH/CHECKING - CURRENT YEAR	601100-110000 AUDIT	10,000.00
16	3/31/2018	TRANSFER FROM FUND 10	601100-460101 AUDIT	-10,000.00

To record audit transfer that was  
budgeted for but mistakenly omitted

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18	3/31/2018	KRAPE/READ ROAD PAVING PROJECT	900000-600118 CP	53,804.00
18	3/31/2018	PECATONICA PRAIRIE PATH	900000-600244 CP	16,253.00
18	3/31/2018	ACCOUNTS/VOUCHER PAYABLE	901100-210000 CP	-53,804.00
18	3/31/2018	ACCOUNTS/VOUCHER PAYABLE	901100-210000 CP	-16,253.00

To record fixed asset and payable  
as of 3/31/18 (Vickie, please reverse this entry)

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19	3/31/2018	ACCUMULATED DEPRECIATION	301100-189500 GC	P. 4	-116,962.00
19	3/31/2018	DEPRECIATION	302100-528010 GC	P. 4	116,962.00

To record current year  
depreciation for golf course

Recurring

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20	3/31/2018	BUILDINGS & EQUIPMENT	301100-185000 GC	54,960.00
20	3/31/2018	CAPITAL IMPROVEMENTS	354100-528000 GC	-54,960.00

To reclass fixed asset in Golf  
Course

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21	3/31/2018	CASH/CHECKING - CURRENT YEAR	991100-110000 GEN	-9,623.00
21	3/31/2018	ACCOUNTS/VOUCHER PAYABLE	991100-210000 GEN	2,472.00
21	3/31/2018	ACCOUNTS/VOUCHER PAYABLE	991100-210000 GEN	996.00
21	3/31/2018	ACCOUNTS/VOUCHER PAYABLE	991100-210000 GEN	3,654.00
21	3/31/2018	PAYROLL ACCOUNT	991100-230350 GEN	533.00
21	3/31/2018	FLEX BENEFIT PAYABLE	991100-230900 GEN	1,968.00

To adjust deposit in transit made  
in error by accounting system

3,721,636.00 -3,721,636.00

August 24, 2018

Wipfli LLP  
328 W Stephenson St  
Freeport, IL 61032

This representation letter is provided in connection with your audit of the financial statements of Freeport Park District, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of March 31, 2018, and the respective changes in financial position and ,where applicable, cash flows for the year then ended, and the related notes to financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 1, 2017, including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in accordance with GAAP and include all properly classified funds and other financial information of the primary government and all component units required by GAAP to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the

requirements of GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter, if any.
10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
11. Material concentrations, if any, have been properly disclosed in accordance with GAAP.
12. Guarantees, whether written or oral, under which the Freeport Park District is contingently liable, if any, have been properly recorded or disclosed in accordance with GAAP.
13. We have determined that Accounting Standards Board issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions does not apply to us. Our history indicates that retirees have not continued health care coverage with us and we currently have no retirees participating in our health care.

#### **Information Provided**

14. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the Freeport Park District from who you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of Freeport Park District Board or summaries of actions of recent meetings for which minutes have not yet prepared.
15. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
16. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
17. We have no knowledge of any fraud or suspected fraud affecting the District involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.

18. We have no knowledge of any allegations of fraud or suspected fraud affecting the Freeport Park District's financial statements communicated by employees, former employees, regulators, or others.
19. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
20. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP.
  - a. For the firms Fishburn, Whiton, Thruuman and Hinshaw & Culbertson for which we did not request an attorney letter, we are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP
21. We have disclosed to you the identity of the Freeport Park District's related parties and all the related party relationships and transactions of which we are aware.
22. We have made available to you all financial records and related data.
23. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
24. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
25. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
28. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determinations of financial statement amounts or other financial data significant to the audit objectives.
29. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
30. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.

31. As part of your audit, you assisted with maintenance of fixed asset schedules and preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those schedules and financial statements and related notes.
32. The Freeport Park District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any material asset been pledged as collateral.
33. The Freeport Park District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
34. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
35. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
36. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial users.
37. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
38. Investments are properly valued.
39. Provisions for uncollectible receivables have been properly identified and recorded.
40. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
41. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
42. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
43. Deposits and investment securities are properly classified as to risk, and investments are properly valued and disclosed.
44. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
45. We have appropriately disclosed the Freeport Park District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

46. The Freeport Park District has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
47. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Freeport Park District vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
48. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
49. We acknowledge our responsibility for presenting the supplementary information in accordance with GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Sincerely,

Freeport Park District

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Jack Carey

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Vickie Witt