

NOTICE OF FINANCE COMMITTEE MEETING

Thursday, July 15, 2020

9:00 am

**Park District of Highland Park
Board of Park Commissioners
West Ridge Center
636 Ridge Road
Highland Park, IL 60035**

FINANCE COMMITTEE MEETING AGENDA

The Governor has issued a disaster declaration related to public health concerns because of COVID-19, and all or part of the jurisdiction the Park District of Highland Park is covered by the disaster area. The President of the Board of Park Commissioners has determined that an in-person meeting conducted under this Act is not practical or prudent because of said disaster. Likewise, in compliance with the capacity limitations caused by the disaster, public attendance at the meeting is not feasible. Therefore, the Board of Park Commissioners have made alternative arrangements in the manner described below to allow any interested member of the public access to contemporaneously hear all discussion, testimony, and roll call votes.

Members of the public may view a live stream of the Finance Committee Meeting by clicking the Thursday, July 15 Finance Committee Meeting Video link found at

<https://www.pdhp.org/park-board/meetings/>

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. PUBLIC COMMENT FOR ITEMS ON AGENDA**
For public comment, members of the public should email Brian Romes, Executive Director, at bromes@pdhp.org. Emails should be sent between Friday, July 10 at 5:00 p.m. until 8:45 a.m. on Wednesday, July 15 and should have "Public Comment for July 15 Finance Committee Meeting" in the subject line of the email. Comments will be read aloud during the meeting.
- IV. APPROVE FINANCE COMMITTEE MEETING MINUTES FROM JULY 2, 2020**
- V. UPDATED FINANCIAL FORECASTS**
- VI. CAPITAL BUDGET REVIEW OF TIER'S 3 - 5**
- VII. SEGREGATION OF DUTIES AUDIT FINDING**
- VIII. OTHER BUSINESS**
- IX. ADJOURNMENT**

Persons with disabilities requiring reasonable accommodation to participate in this meeting should contact the Park District's ADA Compliance Officer, Brian Romes, at the Park District's Administrative Office, 636 Ridge Road, Highland Park, IL Monday through Friday from 8:30 a.m. until 5:00 p.m. at least 48 hours prior to the meeting. Requests for a qualified ASL interpreter require five (5) working days advance notice. Telephone number 847-831-3810; fax number 847-831-0818.

MINUTES OF A FINANCE COMMITTEE MEETING OF THE BOARD OF PARK COMMISSIONERS OF THE PARK DISTRICT OF HIGHLAND PARK HELD ON THURSDAY, JULY 2, 2020 10:01AM. THE MEETING WAS CONDUCTED REMOTELY DUE TO THE GOVERNOR’S DECLARATION OF EMERGENCY AS A RESULT OF THE COVID-19 PANDEMIC. MEMBERS OF THE PUBLIC WERE ABLE TO VIEW A LIVE STREAM OF THE FINANCE COMMITTEE MEETING AND SUBMIT ITEMS FOR PUBLIC COMMENT VIA EMAIL TO THE EXECUTIVE DIRECTOR TO BE READ ALOUD DURING THE MEETING.

Present: Commissioner Bernstein, President Ruttenberg

Also, Present: Executive Director Romes; Director Peters; Director Carr; Director Smith; Manager Warsaw; Accountant Rosen; Accounts Payable Lakoske; Executive Coordinator Hejnowski

Guest Speaker: None

PUBLIC COMMENT FOR ITEMS ON THE AGENDA - None.

May 28, 2020, and June 4, 2020, Finance Committee Meeting minutes were approved. The meeting proceeded with an update on The District’s CAFR.

Commissioner Grossberg arrived at 10:05 a.m.

CASH CATEGORIES

Executive Director Romes reported that the Park Board of Commissioners approved the District’s 2020 operating and fiscal budget in December of 2019 and the District received \$7.3million from the bond issuance this past February. Unfortunately, on March 13, 2020, staff made the difficult decision to close all facilities and cancel programs due to COVID-19 pandemic. As of March 27, staff held a Finance Committee Meeting to review the District’s operational loses, cash flow projections, and the District’s approved capital plan in an effort to reduce spending and ensure the District maintains an adequate cash flow throughout the pandemic. Staff and Board Liaisons assessed the 2020 capital projects and decided to differ over \$2.5million from the 2020 capital budget. At the June 4 Finance Committee Meeting, staff presented year end projections for the recreation and operational funds, examining a worst-case scenario resulting in a loss of \$1.5million. Director Romes reported the goal of today’s Finance Committee Meeting is to focus on the District’s 2020 capital plan with an emphasis on two objectives. The first objective is to understand how much funding is available to spend on capital projects and the second is to discuss the recently created prioritization system for capital projects. Staff are seeking consensus from the Finance Committee Liaisons for the proposed capital projects prioritization system so it can be presented to the entire Park Board.

Commissioner Bernstein would like the record to show that this is a public meeting, which was posted, and it’s currently being streamed on YouTube and available for the public to view to comply with the Open Meetings Act.

Directors Peters provided a brief overview of the District available funds and the supporting cash categories, which includes Operating, Capital, Bonds, and Special Recreation. At the beginning of the year the District had \$24,750,712 in available cash. As of June 9, 2020, the District has \$22,786,320 in available cash, \$8.5million in Operating, \$6.9million in Capital, \$6.7million in Bonds, and \$450,000 from Special Recreation.

She reported that Operating Cash is a combination of Recreation and General Funds, which is generated from facility and programming revenue and funded by property taxes. Both the Recreation and General Funds have a 25% reserve policy, and money is typically transferred each year out of these funds to support capital projects. Director Peters recommends that the District should no longer spend from Operating Cash.

Commissioner Bernstein asked if staff will be reviewing the District's current financial status vs. where the District was projected to be.

Executive Director Romes reported that the focus of today's meeting is Capital Projects, so projections will not be covered.

Commissioner Bernstein would like every meeting to begin with a review of the District's current financial status vs. where the District was projected to be. President Ruttenberg agreed, asking staff to put these figures into a line graph presentation and update those figures each meeting.

Director Peters reported that Capital Cash is used for annual spending, 5-year repair and replacement items, and GreenPrint projects. Capital cash is funded by a surplus of revenue from Operating Cash and in some cases Special Recreation. The Capital Fund does not have a reserve policy, so it can be depleted if needed, to support Operations. She recommends that capital cash should be used cautiously.

Executive Director Romes reported that the District has no reason even in the worst case scenario that the District will fall below the 25% reserve policy in Operating Cash, nor will the District need to borrow from Capital Cash to support operations.

Commissioner Bernstein would like to know if the 25% reserve policy is sufficient consider these times.

Executive Director Romes reported that the auditors support the District's reserve policy and advised against having too high of a fund balance for it appears the District is holding on to cash.

President Ruttenberg would like to know what the 25% reserve policy equivalents in cash.

Director Peters reported that the 25% reserve policy equivalents to \$4.5million.

President Ruttenberg reported that the District actually has \$4million available in Operating Cash and \$6.9million in Capital Cash.

Director Peters reported that the current reserve policy of 25% in the Recreation and General Funds and 15% in the Special Recreation Funds serves the District well and does not recommend changes. She noted that, even though the District has \$22,786,320 in available funds, some of those cash categories have restrictions.

Commissioner Bernstein would like to know if the District should have a reserve policy set for the Capital Fund.

Director Peters advised against this since the Capital Fund can be borrowed against to support operations.

Executive Director Romes reported that the District avoids falling below \$2million in the Capital Fund, so while there is no written reserve policy, staff always like to have a safety net.

Director Peters reported that the Bond Cash is used to support capital projects and must be spent within 2 years of the bond issuance. The District cannot borrow against Bonds to support operations since these funds were issued strictly for capital projects and repairs. She reported that the \$6.7million in Bond Cash needs to be spent by December of 2021, so she recommends creating a spending plan for this category.

Lastly, Special Recreation Cash supports the North Suburban Special Recreation Association (NSSRA) and ADA projects. Funding is provided by the 5A Tax Levy, so it cannot be borrowed against to support operations. She recommends creating a spending plan for this category.

CAPITAL PROJECTS

Tier Prioritization Report

Director Smith reported that staff have developed a prioritization plan for capital projects to determine which projects should commence in 2020 and which should be deferred to 2021. Director Smith presented the five tiers of the prioritization plan.

Tier 1 is the highest priority, which are projects falling under safety and legal compliance, such as grants, intergovernmental agreements, or laws.

Tier 2 are projects in need of critical repairs or items that need to be replaced as these projects could pose a safety hazard, impact operations, or lead to a larger expense if ignored.

Tier 3 are existing assets that are scheduled to be replaced as these assets have met their useful life. A large portion of the capital plan falls under Tier 3.

Tier 4 projects are improvements to existing items. If ignored it would not limit or impact operations.

Tier 5 are projects that would add capacity or improve programming. If ignored it would have no impact on the District's status quo.

Executive Director Romes presented two reports. The first examines the capital prioritization tiers, the 2020 approved capital budget vs. the recommended 2020 capital budget due to the impacts of COVID-19, and the proposed 2021 capital budget. The second report identifies which cash categories will be used to fund the approved 2020 capital projects. The available cash categories are Bond Cash, Special Recreation Cash, and Capital Cash. Operating Cash will not be used to support capital projects.

Director Romes reported that the District approved in December of 2019, spending \$2.7million on tier 1 capital projects, which are of the highest priority since they are tied to safety and legal compliance. Due

to the Impacts of COVID-19, staff recommends spending \$2.1million on tier 1 capital projects, which leaves \$1.9million available for the 2021 capital budget. If approved, the District would spend a little over \$4million in tier 1 capital projects from now until December of 2021. He reported that \$3.6million would be funded by Bond Cash and \$397,890 would be funded by Special Recreation Cash.

The District approved in December of 2019, spending \$3.2million on **tier 2** capital projects, which are **projects in need of critical repair as they are posing safety hazards**. Due to the Impacts of COVID-19, staff recommends spending \$3.1million on tier 2 capital projects, which leaves \$1.8million available for the 2021 capital budget. If approved, the District would spend \$4.9million in tier 2 capital projects from now until December of 2021. He reported that \$3.7million would be funded by Bond Cash, **\$112,500** would be funded by Special Recreation Cash, and **\$1.1million from Capital Cash**.

President Ruttenberg would like to know what the 2021 capital budget is.

Executive Director Romes reported that the 2021 capital budget is based on the 5year plan, the numbers have not changed.

Executive Director Romes reported that the total spending's between tier 1 and 2 capital projects in 2020 is \$5.3million and a little over \$9million from now until December 2021. If approved, the District would have depleted the Bond Cash, there would be \$389,610 left in Special Recreation Cash, and \$6.1million in Capital Cash.

He noted that these reports depict a worst-case scenario, assuming staff will not transfer funds from Capital Cash to operations.

Executive Director Romes reported that if approved the District would spend a little over \$1million in tier 3 capital projects from now until December 2021. These are existing assets that are scheduled to be replaced as these assets have met their useful life. These projects would be funded by Capital Cash, which leaves a little over \$5million still available in this cash category.

As for tier 4 capital projects, which are improvements to existing assets that still have useful life, if approved the District would spend \$4.4million from now until December 2021. \$384,815 would be funded by Special Recreation Cash and a little over \$4million in Capital Cash.

As for tier 5 capital projects, which are new items that do not impact the status quo, staff recommends differing all projects beyond 2021.

If tier 1-4 capital projects are approved, the District will have a little over \$1million left in Capital Cash as of December 2021.

Executive Director Romes reported that the District needs to be cautious when approving Tier 3 capital projects and very cautious when approving tier 4 capital projects, since both are funded by Capital Cash.

List of 2020 Capital Projects

Director Smith presented a 2020 capital report, which only examines tier 1 and tier 2 items. These items are of the highest priority or are in need of critical repair as they pose safety hazards.

District Wide Annual projects

These items include master plans, emerald ash borer tree removal, and ADA path improvements for Cloverdale, Devonshire, and Loral Parks. Director Smith noted that most of the funds set aside for master plans will fund the repairs for Rosewood Beach, which includes the boardwalk, parking lot, and revetments.

The Preserve at Highland Park

The 2020 capital projects for this site include the conversion of the country club and signage which was approved at the March Board Meeting.

Commissioner Grossberg would like to know when the Park Board will receive an update on the conversion project for the Preserve.

Director Smith reported that staff are awaiting executed OSLAD agreement from the state before providing an update. Once the agreement is received, staff will begin the bidding process.

Commissioner Bernstein would like to know if staff are asking the Finance Committee Liaisons to approve the presented 2020 tier 1 and 2 capital projects.

Executive Director Romes reported that staff are seeking consensus of the 2020 tier 1 and 2 capital projects from the Finance Committee Liaisons. If the committee has a consensus, staff will share this presentation at the July 28 Board Meeting and seek approval from the Park Board.

Commissioner Bernstein would like to know if staff will be amending the budget.

Executive Director Romes reported that the budget will be amended in August.

Moraine Park

Director Smith reported that at the March 27 Finance Committee Meeting, the project was budgeted at \$22,400. As of today, staff are estimating the project to cost a little over \$52,000 due to significant wash out from heavy rains and lack of repairs during the closure. Staff would like to move forward with the detail design and construction documents allowing repairs to commence this year. If differed staff fear the costs to repair could increase.

Commissioner Grossberg would like to know if the repairs will still be conducting with the Army Corp.

Director Smith reported that the best route is for the Park District to cover the costs to repair the pathway. If the Park District would like to move forward with the Ravine 10 Project, a portion of the repair costs would be covered by the Army Corp, but it is unclear if the grant funds are still available.

President Ruttenberg would like to differ the Moraine Park path repair till 2021.

Commissioner Grossberg would like the path repairs at Moraine Park to be conducted this year since people are disregarding the do not enter signage and using the pathway, which is a safety hazard.

President Ruttenberg does not feel comfortable spending \$500,000 to repair a pathway for a dog beach when there is a possibility the virus could resurge come the Fall.

Commissioner Bernstein advised staff to present Moraine Park to the entire Park Board and allow for a roll call vote to determine whether the project would be completed this year or differed.

Rosewood Beach

Director Smith reported that staff are recommending completing the \$384,132 beach nourishment and \$800,000 revetment this Fall.

President Ruttenberg would like to know the risk if the project was differed.

Director Smith reported that staff could differ projects in the Swimming Cove but recommends the additional stone revetment be placed in front of the Interpretive Center and a metal sheetpile in front of the parking lot this Fall.

President Ruttenberg would like to know if the parking lot repairs include protection of the bridge structure.

Director Smith reported that the metal sheetpile would not go into the length of the ravine, so there will be a separate cost if the bridge structure needs repair.

Executive Director Romes reported that staff are awaiting the bridge assessment from SmithGroup. The metal sheetpile for the parking lot will not be installed without the bridge assessment.

Commissioner Bernstein advised staff to present all components of Rosewood Beach to the entire Park Board and allow for a roll call vote to determine whether the projects would be completed this year or differed. In addition, staff will need to provide a list of dates of when decision need to be made.

Hidden Creek AquaPark

President Ruttenberg would like the slide resurfacing costs differed since the facility is not opening this summer.

Director Carr reported that the children's slide and speed slide had met their useful lives and could not be used this summer if not repaired, so the Park Board approved the resurfacing of these slides in April, when staff we're still hopeful that the AquaPark could open this summer. Director Carr reported that the drop slide, body slide, and slide structure repairs will be differed.

Sunset Woods Playground

Executive Director Romes reported that the playground is a safety concern and as a result several pieces have been removed. This project was identified as a Park Board approved priority, and is supported by the community, as found in the attitude and interest survey.

Commissioner Bernstein would like to know what staff recommends.

Manager Schwartz reported that staff recommends moving forward with planning, so long as funding is available.

Executive Director Romes reported that if the Park Board would like the playground to be replaced next year, then staff need to begin planning as of September, so the District can be eligible for grant funds as they become available.

President Ruttenberg asked if staff received a proposal from the designer and determined whether the project could be completed in parts.

Executive Director Romes reported that staff are recommending the planning portion of the project, which is estimated at \$35,000, be completed this year. This will provide staff with soil studies, community engagement reports, and schematic designs. Construction documents will be an additional fee, which is still under negotiation, but staff are estimating those documents to be an additional \$100,000 if the Park Board would like a million playground, which may not be enough for a signature playground.

President Ruttenberg reported that it needs to be made very clear to the designer that replacement needs to be unique to ensure the Sunset Woods is once again a signature Park.

Manager Schwartz reported that staff will work closely with the designer to determine what opportunities are available and narrow it down to two schematic designs for the community to react to and provide feedback. She reported that staff need determine what can be done within the project boundary.

President Ruttenberg would like to know if the designer will provide more than two renderings of the schematic design.

Manager Schwartz reported that that will be discussed during the negotiations; but staff would like the deliverables presented to the Park Board and the community limited to two schematic designs.

Commissioner Grossberg will discuss this with the Parks Foundation, to try and help raise funds from the community.

President Ruttenberg would like staff to try and secure private sponsors as well.

Executive Director Romes reported that staff would like two board liaisons assigned to this project.

President Ruttenberg agreed that two liaisons will be provided.

Commissioner Bernstein, Commissioner Grossberg, and President Ruttenberg approved staff's recommendation to begin planning this year.

SEGREGATION OF DUTIES AUDIT FINDING

This item will be reviewed at the next scheduled Finance Committee Meeting.

OTHER BUSINESS

Director Peters reported that the next Finance Committee Meeting will be held on Wednesday, July 15 at 9:00 a.m.

The meeting adjourned at 11:37 a.m.



UPDATED
FINANCIAL
FORECASTS

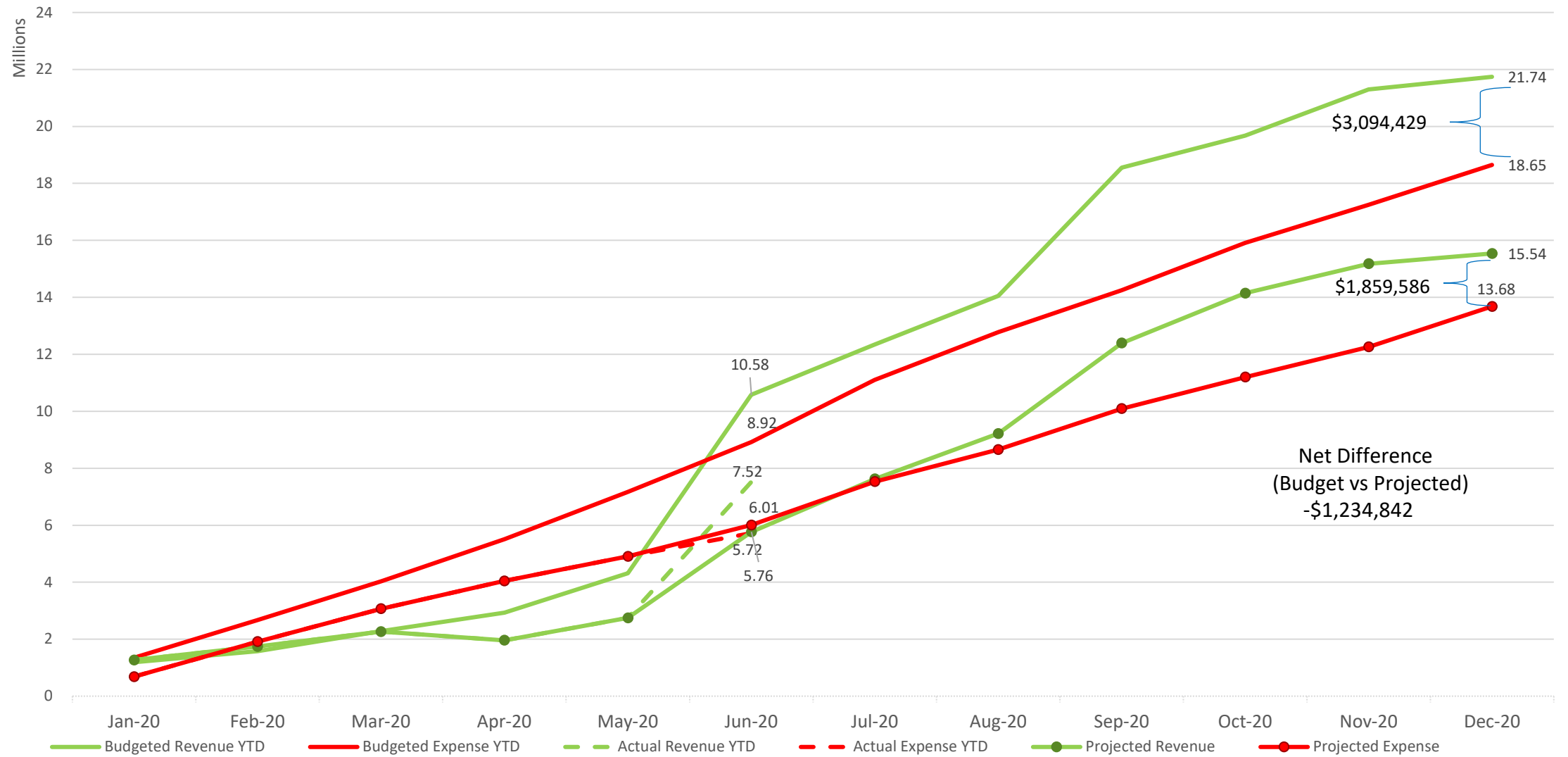
Due to Covid-19

Special Disclaimer Regarding Research and Forecasts

Research and forecasts are based on current information as of June 30, 2020, that we consider reliable, but we do not represent it as accurate or complete, and it should not be relied on as such. The information, opinions, estimates, and forecasts contained herein are also as of the date hereof and are subject to change without prior notification.

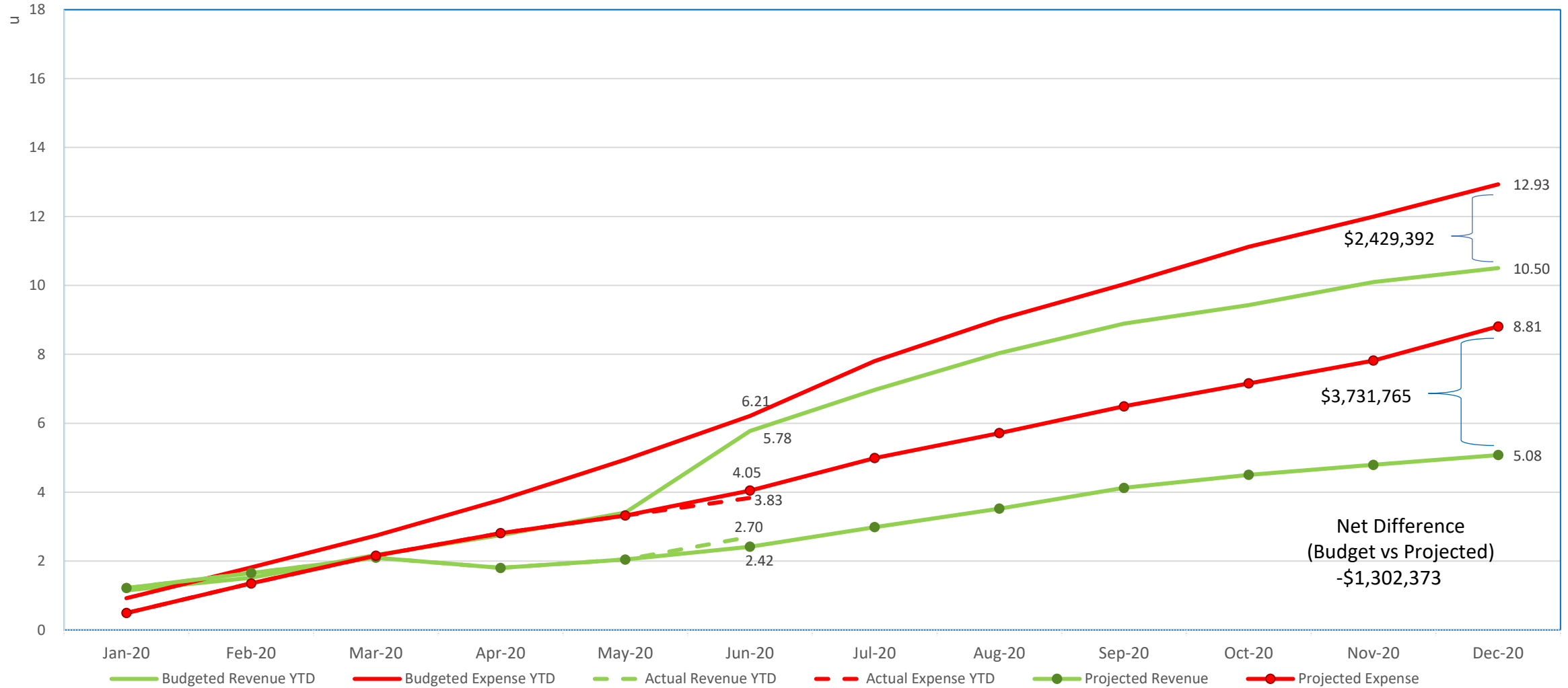
Source: Public Financial Management (PFM)

BUDGET VS. ACTUAL VS. PROJECTED FROM OPERATIONS (GENERAL AND RECREATION FUNDS)



Budgeted Revenue YTD	1,188,294.13	1,575,195.97	2,280,462.98	2,927,603.82	4,314,417.76	10,576,659.18	12,345,363.37	14,054,602.59	18,552,446.55	19,679,220.39	21,297,789.22	21,744,635.46
Budgeted Expense YTD	1,353,093.79	2,668,619.84	4,029,485.33	5,511,507.99	7,169,117.86	8,916,565.52	11,098,300.23	12,776,144.10	14,249,861.43	15,909,758.58	17,250,718.34	18,650,205.74
Projected Revenue	1,267,006.47	1,744,428.16	2,265,402.76	1,959,942.81	2,747,825.88	5,764,849.80	7,624,576.02	9,216,976.42	12,391,589.96	14,143,550.54	15,176,378.01	15,538,124.04
Projected Expense	684,323.94	1,912,537.68	3,067,451.28	4,046,400.91	4,907,674.16	6,005,541.12	7,529,406.27	8,657,328.87	10,091,869.55	11,201,001.55	12,257,564.14	13,678,537.74
Actual Revenue YTD	1,267,006.47	1,744,428.16	2,265,402.76	1,959,942.81	2,747,825.88	7,518,873.47						
Actual Expense YTD	684,323.94	1,912,537.68	3,067,451.28	4,046,400.91	4,907,674.16	5,722,755.49						

Recreation Fund Revenue & Expense Budget vs Actual vs Projected, No Taxes, No Transfers



Net Difference
(Budget vs Projected)
-\$1,302,373

\$2,429,392

\$3,731,765

12.93

10.50

8.81

5.08

6.21

5.78

4.05

3.83

2.70

2.42

Budgeted Revenue YTD	1,147,386.38	1,517,683.06	2,180,490.99	2,756,054.01	3,408,016.71	5,775,708.13	6,970,607.75	8,034,511.12	8,888,541.22	9,427,525.10	10,097,449.50	10,502,488.46
Budgeted Expense YTD	924,796.93	1,819,651.35	2,740,629.74	3,779,965.74	4,946,734.96	6,211,173.22	7,806,770.80	9,015,285.16	10,033,695.35	11,117,850.93	11,996,920.65	12,931,881.22
Projected Revenue	1,218,772.72	1,656,454.61	2,099,358.41	1,801,328.82	2,044,893.50	2,417,700.28	2,984,941.09	3,522,247.62	4,126,282.13	4,501,858.24	4,794,314.35	5,078,223.98
Projected Expense	493,448.53	1,352,058.50	2,160,055.82	2,810,994.85	3,323,307.55	4,048,036.56	4,989,444.72	5,714,823.48	6,493,104.62	7,155,695.56	7,818,574.79	8,809,989.11
Actual Revenue YTD	1,218,772.72	1,656,454.61	2,099,358.41	1,801,328.82	2,044,893.50	2,704,019.93						
Actual Expense YTD	493,448.53	1,352,058.50	2,160,055.82	2,810,994.85	3,323,307.55	3,833,127.99						

ASSUMPTIONS FOR RETURN OF COVID THIS FALL:

Worst Case Scenario

Assumes full closure starting week of Thanksgiving through January 2

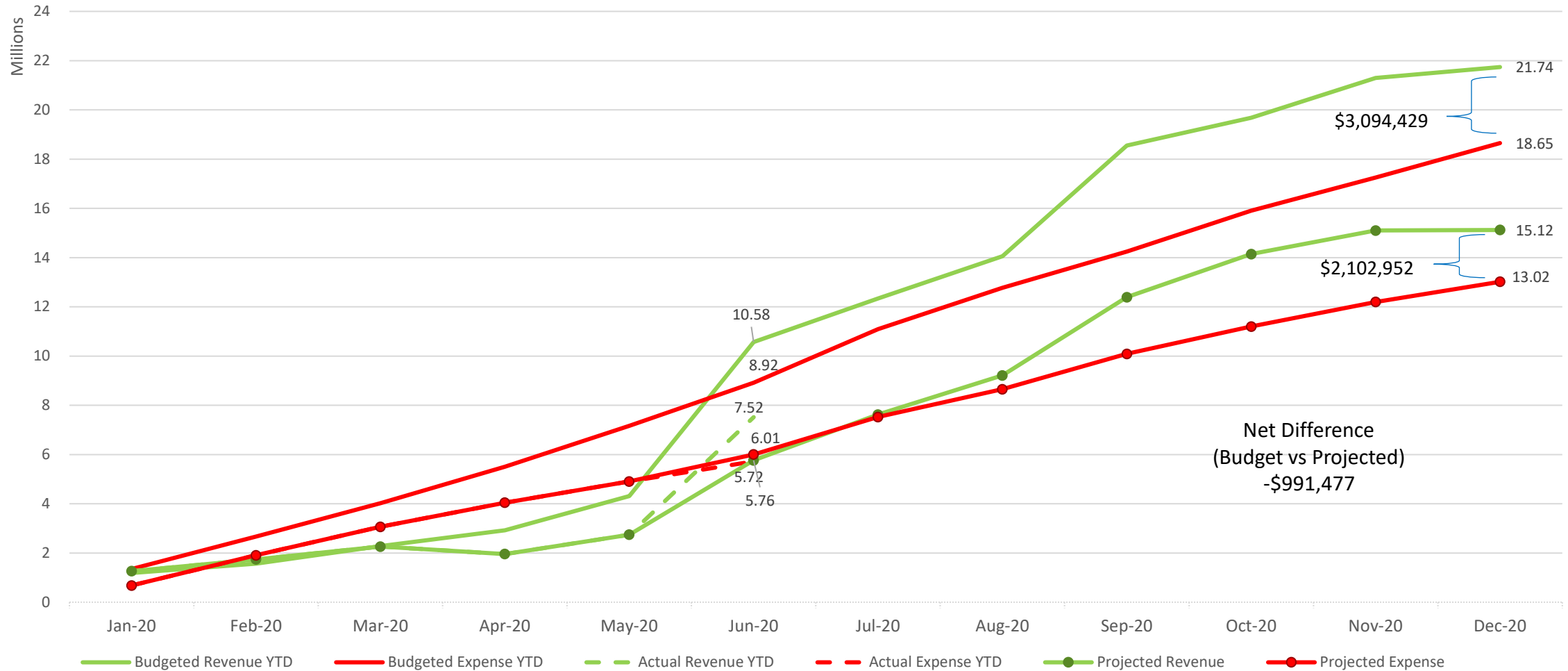
Only revenue during this time frame will be taxes

No transfers

Used June expenses for expense in December and in equation for November



BUDGET VS. ACTUAL VS. PROJECTED FROM OPERATIONS WITH COVID RETURN (GENERAL AND RECREATION FUNDS)



Budgeted Revenue YTD	1,188,294.13	1,575,195.97	2,280,462.98	2,927,603.82	4,314,417.76	10,576,659.18	12,345,363.37	14,054,602.59	18,552,446.55	19,679,220.39	21,297,789.22	21,744,635.46
Budgeted Expense YTD	1,353,093.79	2,668,619.84	4,029,485.33	5,511,507.99	7,169,117.86	8,916,565.52	11,098,300.23	12,776,144.10	14,249,861.43	15,909,758.58	17,250,718.34	18,650,205.74
Projected Revenue	1,267,006.47	1,744,428.16	2,265,402.76	1,959,942.81	2,747,825.88	5,764,849.80	7,624,576.02	9,216,976.42	12,391,589.96	14,143,550.54	15,102,652.60	15,122,652.60
Projected Expense	684,323.94	1,912,537.68	3,067,451.28	4,046,400.91	4,907,674.16	6,005,541.12	7,529,406.27	8,657,328.87	10,091,869.55	11,201,001.55	12,198,676.80	13,019,690.02
Actual Revenue YTD	1,267,006.47	1,744,428.16	2,265,402.76	1,959,942.81	2,747,825.88	7,518,873.47						
Actual Expense YTD	684,323.94	1,912,537.68	3,067,451.28	4,046,400.91	4,907,674.16	5,722,755.49						

Monthly Payroll



—●— Budgeted Payroll —●— Projected Payroll —●— Actual Payroll —●— No Furlough, No Fill

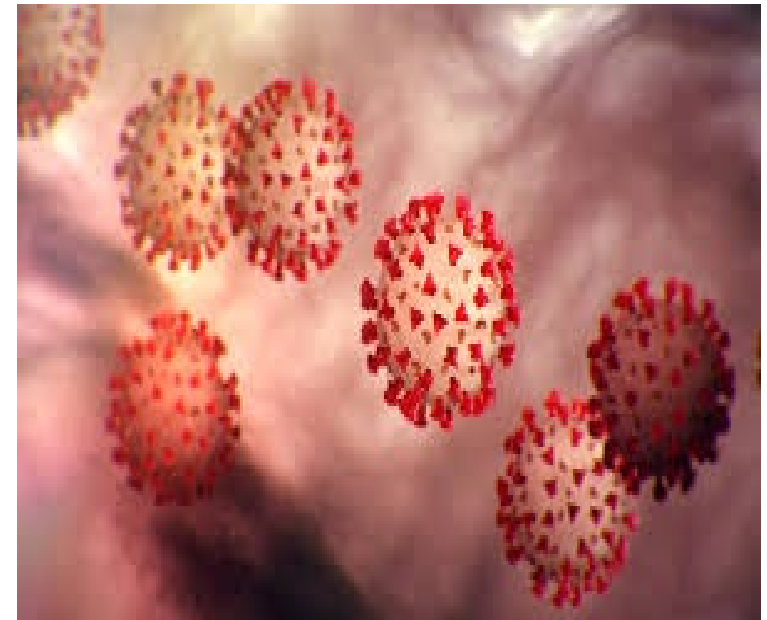
PROJECTED CASH FLOW/OPERATIONS (GENERAL AND RECREATION FUNDS):

PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER

MONTH END PROJECTED CASH ON HAND BEFORE CAPITAL TRANSFERS	\$ 11,917,684	\$ 12,353,293	\$ 14,093,366	\$ 14,736,194	\$ 14,712,459	\$ 12,209,795
ORIGINAL BUDGETED CASH ON HAND	\$ 11,660,382	\$ 11,691,778	\$ 14,715,904	\$ 14,182,781	\$ 14,460,389	\$ 11,950,825
25% RESERVE PER BUDGET (End of Year)	\$ 4,662,551	\$ 4,662,551	\$ 4,662,551	\$ 4,662,551	\$ 4,662,551	\$ 4,662,551

COVID SUPPLIES EXPENSES AS OF JUNE 30 AND ADDITIONAL PAYROLL COSTS NOT PROJECTED FOR AT JUNE 30:

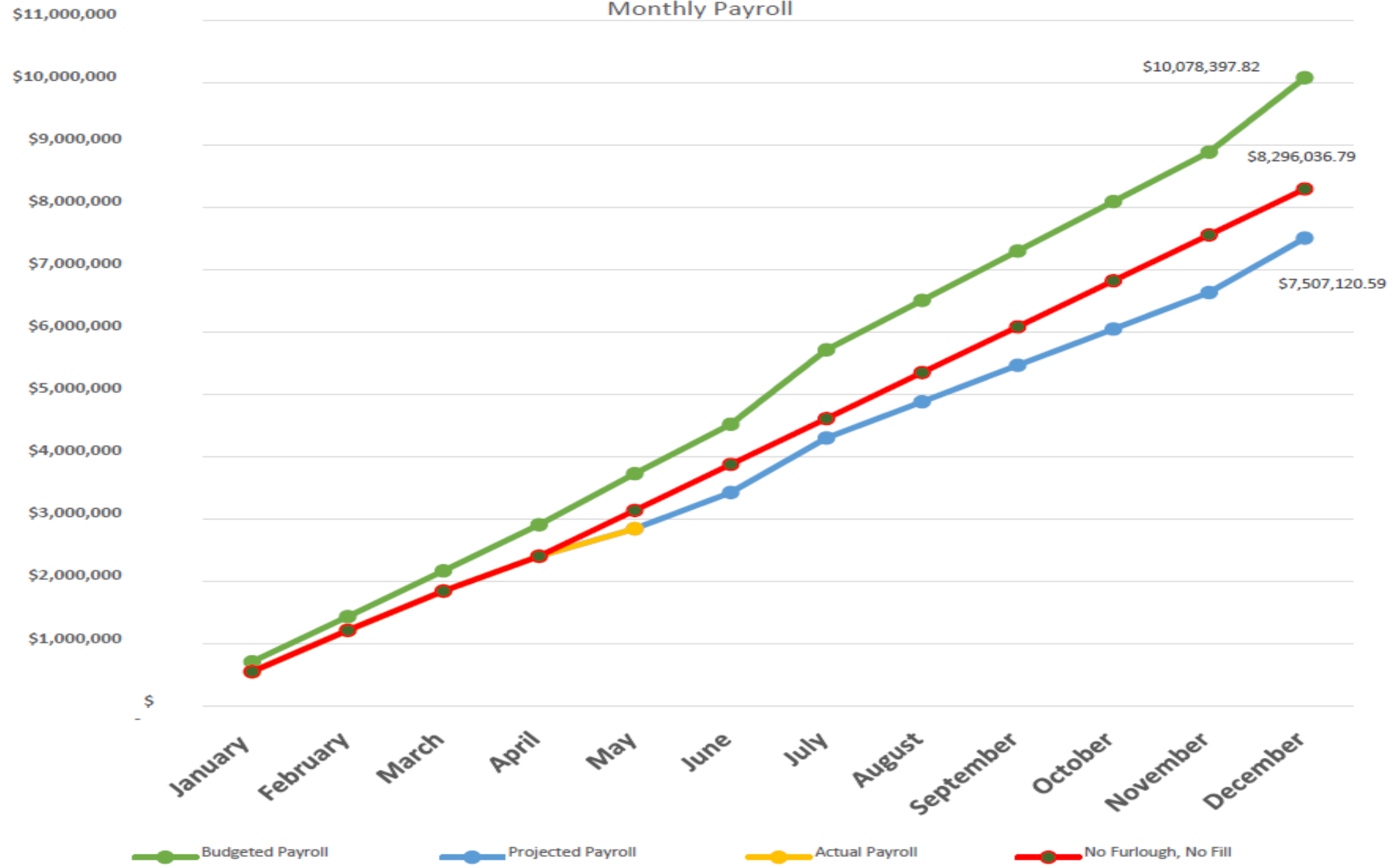
COVID-19 supplies expense at June 30: \$17,792.64



QUESTIONS?

THE END

Monthly Payroll



PROJECTED CASH FLOW FROM OPERATIONS (GENERAL AND RECREATION FUNDS):

	ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
DATE:	6/30/2020	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	1/1/2021
TOTAL CASH ON HAND 6/30/20	\$11,616,359							
TOTAL PROJECTED CASH ON HAND (FIRST OF MONTH)		\$ 11,616,359	\$ 11,917,684	\$ 12,353,293	\$ 14,093,366	\$ 14,736,194	\$ 14,712,459	\$ 13,653,231
CASH FLOWS:								
PROJECTED MONTHLY NET INCOME WITH DEBT SERVICE		\$ 301,326	\$ 435,609	\$ 1,740,073	\$ 642,828	\$ (23,735)	\$ (2,502,664)	
PROJECTED MONTHLY NET INCOME		\$335,861		\$464,478	\$1,740,073	\$642,828	(23,735)	
ORIGINAL BUDGETED MONTHLY NET INCOME		-\$413,031		\$31,395	\$3,024,127	-\$533,123	277,609	
DIFFERENCE		\$748,892		\$433,082	-\$1,284,054	\$1,175,951	(301,344)	
ACCUMULATED DIFFERENCE		-\$1,846,745		-\$1,413,663	-\$2,697,717	-\$1,521,765	(1,823,109)	
Month end projected cash on hand		\$9,321,335		\$9,785,813	\$11,525,885	\$12,168,713	\$ 12,144,978	
ORIGINAL BUDGETED CASH ON HAND		\$10,103,459		\$10,134,855	\$13,158,981	\$12,625,858	12,903,467	
DIFFERENCE YTD		-\$782,125		-\$349,042	-\$1,633,096	-\$457,145	(758,489)	
25% RESERVE PER BUDGET (End of Year)		\$4,662,551		\$4,662,551	\$4,662,551	\$4,662,551	\$ 4,662,551	
PROPERTY TAX		\$1,259,738		\$1,041,957	\$2,563,914	\$1,340,652	\$ 733,719	
CASH ON HAND LESS BUDGETED PROPERTY TAX		\$8,061,597		\$8,743,856	\$8,961,971	\$10,828,061	\$ 11,411,259	

PROJECTED CASH FLOW

	ACTUAL	
DATE:	5/31/2020	

	P R O J E C T E D							
ACTUAL		PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED

Month end projected cash on hand before capital transfers		\$ 11,917,684	\$ 12,353,293	\$ 14,093,366	\$ 14,736,194	\$ 14,712,459	\$ 12,209,795	
ORIGINAL BUDGETED CASH ON HAND		\$ 11,660,382	\$ 11,691,778	\$ 14,715,904	\$ 14,182,781	\$ 14,460,389	\$ 11,950,825	
DIFFERENCE YTD		\$ 257,302	\$ 661,516	\$ (622,538)	\$ 553,413	\$ 252,070	\$ 258,970	
25% RESERVE PER BUDGET (End of Year)		\$ 4,662,551	\$ 4,662,551	\$ 4,662,551	\$ 4,662,551	\$ 4,662,551	\$ 4,662,551	\$9,563,894
								\$3,033,330
MONTHLY PROPERTY TAX REVENUE		\$ 1,259,738	\$ 1,041,957	\$ 2,563,914	\$ 1,340,652	\$ 733,719		
MONTHLY OPERATING GROSS REVENUE		\$ 567,241	\$ 537,307	\$ 604,035	\$ 375,576	\$ 292,456	\$ 283,910	



Budget Comparison Report

Park District of Highland Park, IL

Account Type	Parent Budget	Comparison 1 Budget	Comparison 1 to Parent Budget	%			
					2020	2020	Increase /
					2020#2	2020PRO	(Decrease)
Center: 11 - ADMINISTRATIVE							
Revenue	5,271,282.00	4,925,105.08	(346,176.92)	-6.5672			
Expense	5,569,944.00	5,254,352.13	(315,591.87)	-5.666			
Total Center: 11 - ADMINISTRATIVE:	(298,662.00)	(329,247.05)	(30,585.05)	10.2407			
Center: 24 - WEST RIDGE CENTER							
Revenue	525,565.96	272,279.25	(253,286.71)	-48.193			
Expense	875,789.65	663,942.37	(211,847.28)	-24.189			
Total Center: 24 - WEST RIDGE CENTER:	(350,223.69)	(391,663.12)	(41,439.43)	11.8323			
Center: 26 - ATHLETICS							
Revenue	955,092.97	312,656.62	(642,436.35)	-67.264			
Expense	914,819.32	471,545.08	(443,274.24)	-48.455			
Total Center: 26 - ATHLETICS:	40,273.65	(158,888.46)	(199,162.11)	-494.52			
Center: 28 - CAMPS							
Revenue	987,541.00	333,700.00	(653,841.00)	-66.209			
Expense	657,076.00	265,483.02	(391,592.98)	-59.596			
Total Center: 28 - CAMPS:	330,465.00	68,216.98	(262,248.02)	-79.357			
Center: 29 - SPECIAL EVENTS							
Revenue	64,285.00	23,465.00	(40,820.00)	-63.498			
Expense	190,993.66	72,458.40	(118,535.26)	-62.062			
Total Center: 29 - SPECIAL EVENTS:	(126,708.66)	(48,993.40)	77,715.26	-61.334			
Center: 31 - HIDDEN CREEK AQUAPARK							
Revenue	427,880.00	2,136.00	(425,744.00)	-99.501			
Expense	563,474.68	124,923.03	(438,551.65)	-77.83			
Total Center: 31 - HIDDEN CREEK AQUAPARK:	(135,594.68)	(122,787.03)	12,807.65	-9.4455			
Center: 32 - ROSEWOOD INTERPRETIVE CENTER							
Revenue	143,640.50	11,240.00	(132,400.50)	-92.175			
Expense	134,451.45	54,192.26	(80,259.19)	-59.694			
Total Center: 32 - ROSEWOOD INTERPRETIVE CENTER:	9,189.05	(42,952.26)	(52,141.31)	-567.43			
Center: 33 - ROSEWOOD BEACH							
Revenue	86,515.00	16,000.00	(70,515.00)	-81.506			
Expense	144,011.88	143,768.40	(243.48)	-0.1691			

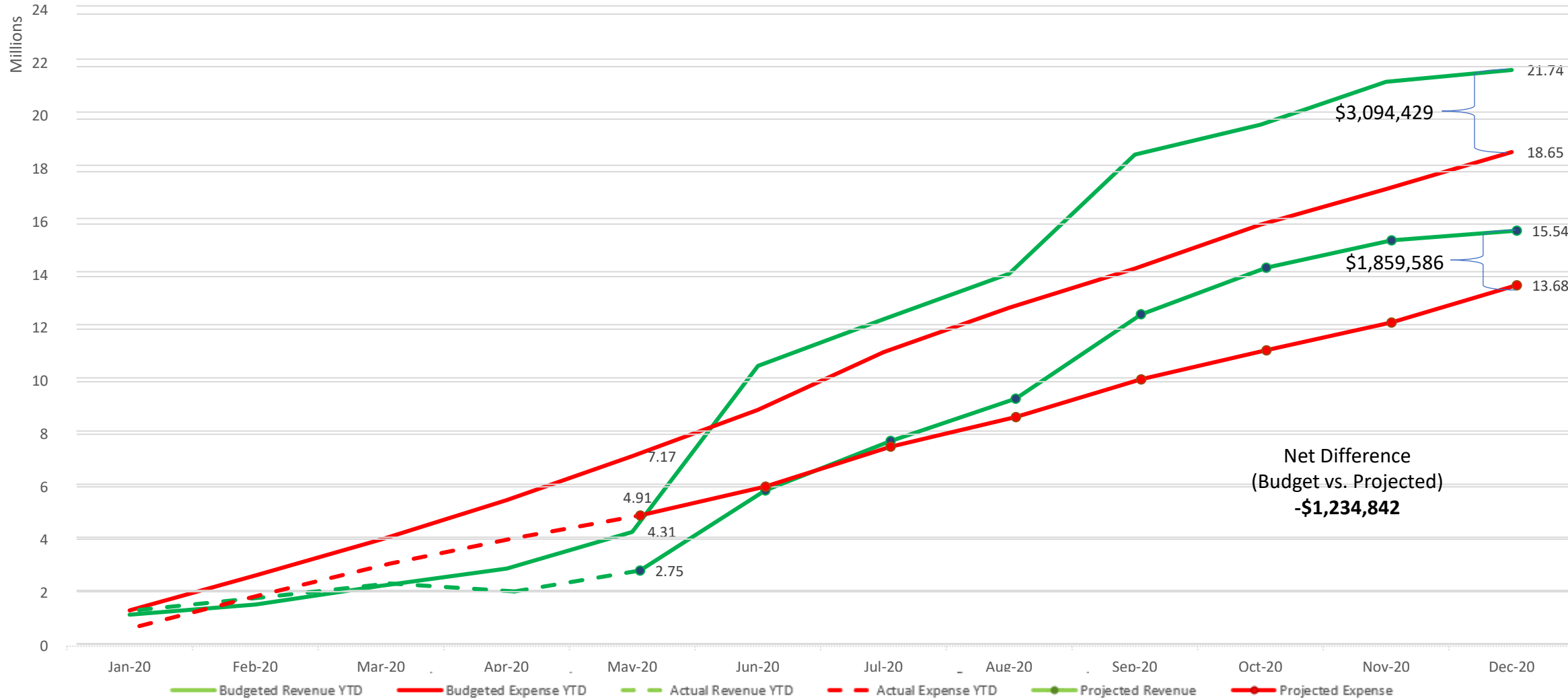
Budget Comparison Report					
Account Type		Parent Budget	Comparison 1 Budget	Comparison 1 to Parent Budget	%
		2020 2020#2	2020 2020PRO	Increase / (Decrease)	
Total Center: 33 - ROSEWOOD BEACH:		(57,496.88)	(127,768.40)	(70,271.52)	122.218
Center: 34 - PARK AVENUE					
Revenue		104,681.00	89,906.00	(14,775.00)	-14.114
Expense		120,079.51	86,112.08	(33,967.43)	-28.287
Total Center: 34 - PARK AVENUE:		(15,398.51)	3,793.92	19,192.43	-124.64
Center: 38 - ICE ARENA					
Revenue		1,236,655.20	690,882.39	(545,772.81)	-44.133
Expense		1,078,636.25	777,734.57	(300,901.68)	-27.896
Total Center: 38 - ICE ARENA:		158,018.95	(86,852.18)	(244,871.13)	-154.96
Center: 41 - MAINTENANCE					
Expense		776,887.19	590,525.24	(186,361.95)	-23.988
Total Center: 41 - MAINTENANCE:		776,887.19	590,525.24	(186,361.95)	-23.988
Center: 42 - PRO SHOP					
Revenue		1,439,530.00	1,140,500.00	(299,030.00)	-20.773
Expense		502,375.52	407,333.71	(95,041.81)	-18.918
Total Center: 42 - PRO SHOP:		937,154.48	733,166.29	(203,988.19)	-21.767
Center: 49 - RECREATION CENTER ADMIN					
Revenue		173,222.00	56,764.00	(116,458.00)	-67.23
Expense		1,208,314.98	1,043,098.37	(165,216.61)	-13.673
Total Center: 49 - RECREATION CENTER ADMIN:		(1,035,092.98)	(986,334.37)	48,758.61	-4.7106
Center: 51 - RECREATION CENTER FITNESS					
Revenue		1,839,560.20	781,485.00	(1,058,075.20)	-57.518
Expense		875,679.55	564,449.94	(311,229.61)	-35.541
Total Center: 51 - RECREATION CENTER FITNESS:		963,880.65	217,035.06	(746,845.59)	-77.483
Center: 53 - RECREATION CENTER AQUATICS					
Revenue		230,067.50	78,034.00	(152,033.50)	-66.082
Expense		370,015.39	248,634.67	(121,380.72)	-32.804
Total Center: 53 - RECREATION CENTER AQUATICS:		(139,947.89)	(170,600.67)	(30,652.78)	21.903
Center: 55 - INDOOR TENNIS					
Revenue		1,274,182.50	798,301.52	(475,880.98)	-37.348
Expense		1,124,363.62	832,108.14	(292,255.48)	-25.993
Total Center: 55 - INDOOR TENNIS:		149,818.88	(33,806.62)	(183,625.50)	-122.56
Center: 56 - OUTDOOR TENNIS					
Revenue		247,742.50	118,662.13	(129,080.37)	-52.103
Expense		171,679.04	113,168.43	(58,510.61)	-34.081
Total Center: 56 - OUTDOOR TENNIS:		76,063.46	5,493.70	(70,569.76)	-92.777

Budget Comparison Report							
				Parent Budget	Comparison 1 Budget	Comparison 1 to Parent Budget	%
				2020 2020#2	2020 2020PRO	Increase / (Decrease)	
Account Type							
Center: 61 - HELLER NATURE CENTER							
			Revenue	305,280.00	44,508.00	(260,772.00)	-85.421
			Expense	662,626.22	480,011.87	(182,614.35)	-27.559
			Total Center: 61 - HELLER NATURE CENTER:	(357,346.22)	(435,503.87)	(78,157.65)	21.8717
Center: 74 - HPCC LEARNING CENTER							
			Revenue	358,694.00	268,186.00	(90,508.00)	-25.233
			Expense	382,463.71	288,850.89	(93,612.82)	-24.476
			Total Center: 74 - HPCC LEARNING CENTER:	(23,769.71)	(20,664.89)	3,104.82	-13.062
Center: 76 - HPCC BUILDING							
			Revenue	42,353.13	22,378.99	(19,974.14)	-47.161
			Expense	42,353.10	36,835.50	(5,517.60)	-13.028
			Total Center: 76 - HPCC BUILDING:	0.03	(14,456.51)	(14,456.54)	-5E+07
			Report Total:	(652,264.26)	(2,533,338.12)	(1,881,073.86)	288.391

6/4/2020 8:05:51 AM

Budget Comparison Report							
				Parent Budget	Comparison 1 Budget	Comparison 1 to Parent Budget	%
				2020 2020#2	2020 2020PRO	Increase / (Decrease)	
Fund							
			29 - RECREATION	(652,264.26)	(2,533,338.12)	(1,881,073.86)	288.39
			Report Total:	(652,264.26)	(2,533,338.12)	(1,881,073.86)	288.39

Gross Revenue and Expense



Budgeted Revenue YTD	1,188,294.13	1,575,195.97	2,280,462.98	2,927,603.82	4,314,417.76	10,576,659.18	12,345,363.37	14,054,602.59	18,552,446.55	19,679,220.39	21,297,789.22	21,744,635.46
Budgeted Expense YTD	1,353,093.79	2,668,619.84	4,029,485.33	5,511,507.99	7,169,117.86	8,916,565.52	11,098,300.23	12,776,144.10	14,249,861.43	15,909,758.58	17,250,718.34	18,650,205.74
Projected Revenue					2,747,825.88	5,764,849.80	7,624,576.02	9,216,976.42	12,391,589.96	14,143,550.54	15,176,378.01	15,538,124.04
Projected Expense					4,907,674.16	6,005,541.12	7,529,406.27	8,657,328.87	10,091,869.55	11,201,001.55	12,257,564.14	13,678,537.74
Actual Revenue YTD	1,267,006.47	1,744,428.16	2,265,402.76	1,959,942.81	2,747,825.88							
Actual Expense YTD	690,255.83	1,918,469.57	3,073,383.17	4,052,332.80	4,907,674.16							

ASSUMPTIONS:

- Worst Case Scenario
- Tax collections delayed and at a 94% collection rate of data provided by Lake County (roughly \$700,000)
- Impact fees at \$16,881
- Hiring freeze saving roughly \$318,000 in salaries plus benefits (HR/Safety Manager, Asst. Director of Recreation etc.)
- Fall athletics at 50%
- All special events cancelled for year
- Hidden Creek closed for season
- Tennis at 50% for Summer and Fall
- Centennial rentals at full capacity in Fall. Gymnastics/Ice programming at 50% capacity in Fall
- Recreation Center at 15% capacity (pool open in August)
- Summer Camp at 10% Capacity
- Golf almost fully operational
- Unemployment cost of \$250,000
- Reduction to staff development, job advertising and pre-employment physicals
- Digital brochures for Fall 2020, Camp 2021 and Winter 2021
- Reduction in Parks Maintenance Contracts (\$150,000)





Budget Comparison Report

Park District of Highland Park, IL

		Parent Budget	Comparison 1 Budget	Comparison 1 to Parent Budget	%
		2020 2020#2	2020 2020PRO	Increase / (Decrease)	
Type					
Revenue					
410 - TAX		5,760,000.00	5,361,220.95	(398,779.05)	(6.92)
420 - FEES & CHARGES		36,600.00	22,300.00	(14,300.00)	(39.07)
460 - MERCHANDISING		540.00	274.36	(265.64)	(49.19)
470 - INTEREST INCOME		170,000.00	98,990.67	(71,009.33)	(41.77)
480 - MISCELLANEOUS INCOME		53,300.00	59,191.32	5,891.32	11.05
510 - OTHER INCOME		10,425.00	1,000.00	(9,425.00)	(90.41)
Total Revenue:		6,030,865.00	5,542,977.30	(487,887.70)	(8.09)
Expense					
610 - SALARIES & WAGES		2,795,046.32	2,253,920.65	(541,125.67)	(19.36)
620 - CONTRACTUAL SERVICES		1,012,140.62	584,048.52	(428,092.10)	(42.30)
630 - INSURANCE		1,137,666.82	1,121,266.25	(16,400.57)	(1.44)
640 - MATERIALS & SUPPLIES		234,973.90	162,410.19	(72,563.71)	(30.88)
650 - MAINTENANCE & LANDSCAPING CONTRACTS		98,817.47	100,669.34	1,851.87	1.87
660 - UTILITIES		122,705.60	123,782.73	1,077.13	0.88
670 - PENSION CONTRIBUTIONS		316,974.29	271,862.29	(45,112.00)	(14.23)
Total Expense:		5,718,325.02	4,617,959.97	(1,100,365.05)	(19.24)
Report Total:		312,539.98	925,017.33	612,477.35	195.97
Budget Comparison Report					
		Parent Budget	Comparison 1 Budget	Comparison 1 to Parent Budget	%
		2020 2020#2	2020 2020PRO	Increase / (Decrease)	
Fund					
01 - GENERAL CORPORATE		312,539.98	925,017.33	612,477.35	195.97
Report Total:		312,539.98	925,017.33	612,477.35	195.97

CAPITAL PLAN TIER 3, TIER 4 AND TIER 5 PROJECTS

	Description	2020 Approved Budget	2020 Revised 3/27/20 Finance Committee Budget	2020 Recommended 7/2/20 Revised Budget	2021 Working Draft Budget	Tiers
District Wide/Annual	Park Sign Replacement	20,000	0	0	60,000	Tier 3
	Waste/Recycling Containers	12,000	21,943	21,943	12,000	Tier 4
	Park Shelter Roof Replacements				15,000	Tier 3
Parks-Equipment	4x4 ext. Cab w/ lift & plow 123	40,000	0	0	40,000	Tier 3
	Ball Field Groomer 391	15,000	0	0	15,000	Tier 3
D. Cunniff Park	Backstop Replacement	15,000	0	0	15,000	Tier 3
	Fishing Improvements				60,000	Tier 4
L. Fink Park	Basketball Court Resurface	25,000	0	0	25,000	Tier 3
Lincoln Park	Basketball Court Patch/Color/Stripe	5,000	0	0	5,000	Tier 3
Moraine Park	Replace Wooden Stairs	100,000	0	0	100,000	Tier 3
Port Clinton Park	Basketball Court Patch/Color/Stripe				5,000	Tier 3
Sunset Woods Park	Basketball Court Resurface	23,000	0	0	23,000	Tier 3
	Tennis Court Patch/Color/Stripe	50,000	0	0	50,000	Tier 3
West Ridge Park	Basketball Court Patch/Color/Stripe	5,000	0	0	5,000	Tier 3
Centennial	Mechanical Duct Room Sealing	20,000	20,000	0	20,000	Tier 3
	GreenPrint - Facility Renovation	200,000	150,000	0	2,050,000	Tier 4
	GreenPrint - Gymnastics Renovation				1,172,000	Tier 4
	Flooring				75,000	Tier 4
	Fobs				60,000	Tier 4
	Security Camera				10,000	Tier 4
Deer Creek Racquet Club	Tennis Court Resurfacing	75,000	0	0	75,000	Tier 3
	Racquetball/Locker Room Planning	40,000	0	0	40,000	Tier 4
	Water Heater Replacement				25,000	Tier 3
Golf Learning Center	Mini Golf Carpet Replacement	30,000	0	0	30,000	Tier 3
	Rough Mower				66,000	Tier 3
	Banks Mower				18,000	Tier 3
	Sprayer				34,000	Tier 3
Heller Nature Center	Lobby Exhibit Repairs/Improvements	51,000	0	0	51,000	Tier 3
	2007 Kubota RTV 900 4x4				16,500	Tier 3
	Front Sidewalk Replacement w/ Curb				30,000	Tier 4
Hidden Creek	Splash Pad Pump				12,500	Tier 3
RCHP	HVAC Replacement	80,000	90,300	90,300		Tier 3
	Equipment Upgrade/Replacement	60,000	60,000	0	75,000	Tier 3
	Locker Room Renovations	175,000	0	0	556,150	Tier 4
	Gymnasium Lighting Renovation	15,990	0	0	15,990	Tier 3
	Gymnasium Fan Replacement	14,010	0	0	14,010	Tier 3
SVGC	Fescue Mower	42,000	0	0		Tier 5
	Heavy Duty Workman 2	22,500	22,484	22,484		Tier 3
	ProCore 648 Aerifier				40,000	Tier 3
West Ridge Center	HVAC/Furnace Replacements	37,000	20,900	20,900	15,000	Tier 3
	Drainage Improvements	15,000	0	0	15,000	Tier 3
	Sump Pump Replacement				10,000	Tier 3
	Classroom Door Fobs	11,900	11,900	0	11,900	Tier 4
	Security Entrance				70,000	Tier 4
TOTAL		1,199,400	397,527	155,627	5,038,050	

PER SIKICH MANAGEMENT LETTER:

DEFICIENCIES

We believe that the following constitute deficiencies in internal control:

Segregation of Duties

During our review of the District's significant transaction cycles, it was noted that the District's HR Function maintains responsibility over payroll and payroll processing. HR has the ability to make changes to payroll data, including adding and removing employees and adjusting pay rates and benefits. We recommend the District consider transferring responsibility over payroll and payroll processing to Finance, as Finance does not have the access to make changes to employee data. If HR will continue to process payroll, we recommend a Payroll Change report is run each payroll and reviewed to verify any changes to payroll information have been appropriately approved.

The formal district response to Dan Berg is as follows:

PAYROLL REVIEW

A. Introduction

This procedure outlines the process the District will follow to compensate for the lack of internal control within the payroll function as identified by Sikich LLP. Human Resources staff maintains the payroll master files, and as of March 2019, prepares the payroll. Specific concerns to be addressed are the addition of unauthorized employees or rates of pay.

B. Procedure

1. The Director of Finance will receive an audit log for changes to the payroll master file in the software (currently Paycom) used to maintain payroll data. This will be done once per month.
2. The audit log report will be reviewed for status changes indicating newly hired or re-hired employees or any rate of pay changes for active employees.
 - a. New hires/re-hires will be verified against the personnel form to verify employee status and rate of pay is authorized.
 - b. Pay rate changes for active employees will be verified against the Employment Form to verify change in rate of pay was authorized.

3. If any discrepancies are noted, appropriate staff will be notified so appropriate action can be taken.
4. The Director of Finance will sign the report indicating it was reviewed. A copy of the report (electronic or hard copy) will be retained until the audit is completed for the calendar year covering the report dates.

EMPLOYEE MASTER FILE/PAYROLL CHANGES

A. Introduction

This procedure outlines the process the Human Resources Department will follow when making employee master file/payroll changes.

Typically, the Human Resources Assistant completes the data entry and the Payroll Coordinator reviews and approves changes. However, the Payroll Coordinator can also enter changes, which would require the approval of the Human Resources Assistant. The enterer and the approver are not to be the same person. The Director of Human Resources can also enter, but this also requires a second person to review and approve. Lastly, the Director of Human Resources will act as the approver whenever needed (i.e. absences, vacancies, reduction in staffing level, etc.).

Whenever possible, a Personnel Action Form (PAF) in Paycom will be used to make changes. The PAF documents the original data, the changed data, the date and time submitted, who submitted the information, and who approved the information. This provides an audit trail of requested changes. The only time a PAF will not be used is when the Paycom system does not allow a change via PAF (i.e. employee address change, telephone number change, email address change, etc.).

B. Procedure

1. New Hires
 - a. An approved Employment Form is required for all new hires.
 - b. After a new hire has attended New Employee Orientation and submitted all required paperwork, the Human Resources Assistant will enter the new employee and provide all documentation to the Payroll Coordinator to review and complete the new hire form in Paycom.
 - c. Upon completion, the approver will notify the Supervisor or Manager that the employee has been added and that the time for orientation should be added to the timesheet.
 - d. The new hire information will be held to review when processing the first payroll.

2. Rehires
 - a. An approved Employment Form is required for all rehires.
 - b. After a rehire has attended New Employee Orientation (if applicable) and submitted any new or revised paperwork, the Human Resources Assistant will enter the rehire into Paycom via a PAF. The Payroll Coordinator will receive the paperwork to review prior to approving the PAF.

- c. Upon approval, the approver will notify the Supervisor or Manager that the employee has been added and that the time for orientation (if applicable) should be added to the timesheet.
- d. The rehire information will be held to review when processing the first payroll.

3. Terminations

- a. Any separation from employee requires a Separation Form signed by the Supervisor or Manager and supporting documentation (i.e. resignation letter/email or notes from Supervisor or Manager).
- b. Once received by Human Resources, the Human Resources Assistant will enter the separation through a PAF in Paycom.
- c. The Payroll Coordinator will receive the paperwork to review prior to approving the PAF.
- d. If applicable, the Payroll Coordinator will calculate payout information and provide calculations to the Director of Human Resources for review and approval.
- e. Separation Forms and payout calculations will be held for review/entry during payroll processing.

4. Benefit/Voluntary Deduction Changes

- a. Employees have access through Paycom's Employee Self Service to make changes to some of their voluntary deductions and tax withholdings. Employees are encouraged to make applicable changes on their own.
- b. When it is not possible or an employee is unable/unwilling to make changes on their own, Human Resources will require the applicable form for the change being made.
- c. Once received, the Human Resources Assistant will enter the change into a PAF through Paycom.
- d. The PAF will be submitted, for approval, to the Payroll Coordinator. The Human Resources Assistant will provide the Payroll Coordinator with the supporting documentation prior to approval.
- e. Once approved, the Payroll Coordinator will hold the paperwork to review and verify during payroll processing.
- f. An audit log as well as the supporting documentation will be provided to the Director of Human Resources to review as part of the payroll processing procedure.
- g. Documentation and/or forms will be kept in the employee's personnel file.

5. Pay Rate and Status Changes

- a. Supervisors, Managers, and Department Heads are required to complete Employment Forms for any change in pay rate or status and

collect all required approval signatures prior to notifying Human Resources of an employee change.

- b. Once Human Resources receives a signed Employment Form, the Human Resources Assistant will enter the change into a PAF through Paycom.
- c. The PAF will be submitted, for approval, to the Payroll Coordinator. The Human Resources Assistant will provide the Payroll Coordinator with the supporting documentation prior to approval.
- d. Once approved, the Payroll Coordinator will hold the paperwork to review and verify during payroll processing.
- e. The Human Resources employee that enters the change cannot also approve the change. In the event of an absence, the Director of Human Resources will approve changes made via PAF.
- f. An audit log as well as the supporting documentation will be provided to the Director of Human Resources to review as part of the payroll processing procedure.
- g. Employment forms documenting pay rate and status changes will be filed in the employee's personnel file.

6. Employee Data Changes

- a. Employees have access through Paycom's Employee Self Service to make changes to their personal information. Employees are encouraged to make applicable changes on their own.
- b. When it is not possible or an employee is unable/unwilling to make changes on their own, Human Resources will require the applicable form or a written request for the change being made.
- c. Paycom does not have a PAF for personal information, so the Human Resources Assistant or Payroll Coordinator will make the change directly on the employee's profile and file the form or written request in the employee's personnel file.

7. Direct Deposit Changes

- a. Employees have access through Paycom's Employee Self Service to make changes to their direct deposit information. Employees are encouraged to make applicable changes on their own.
- b. When it is not possible or an employee is unable/unwilling to make changes on their own, Human Resources will require the applicable form and a copy of a direct deposit letter/voided check in order to make the change.
- c. Paycom does not have a PAF for direct deposit information, so the Human Resources Assistant will make the change directly on the employee's profile and have the Payroll Coordinator verify the data entry. Both will initial the direct deposit form and then file the form in the employee's personnel file.

8. Other Employee-Related Changes in Paycom
 - a. Any change that can be made by the employee in Paycom's Employee Self Service will be encouraged.
 - b. When this is not possible or the employee is unable/unwilling, the Human Resources Assistant will collect the necessary documentation and enter the change into a PAF in Paycom whenever possible, following the same process as above in Item 1.
 - c. When a PAF in Paycom is not possible, the Human Resources Assistant will enter the information directly into the employee's profile and provide documentation to the Payroll Coordinator to review and verify.
9. All changes require two employees; one to enter and one to review/approve. The enterer cannot be the same employee as the approver.
10. In the event of an error, the PAF will be rejected and sent back for correction. The enterer must resubmit the PAF with the corrections to the approver. If a PAF is not available, the approver will send the paperwork back to the enterer to correct and resubmit before signing off on the change.

PAYROLL PROCESSING

A. Introduction

This procedure outlines the process the Human Resources Department will follow when processing payroll to ensure internal controls and multiple reviews to reduce potential errors.

B. Procedure

1. All employee information, deduction adjustments, and pay changes will be made prior to processing payroll using the procedures outline above.
2. The Human Resources Assistant and the Payroll Coordinator will each review timesheets to check for errors and verify approvals.
 - a. If timecards are missing supervisory approval or have errors to be corrected, Human Resources will reach out to the Supervisor or Manager to make the adjustments. Unless absolutely necessary, Human Resources will not make adjustments to any employee timesheet.
3. With the help of the Human Resources Assistant, the Payroll Coordinator will create the data sets and payroll batch for processing.
4. By the end of the business day on Tuesday of a payroll processing week, the Payroll Coordinator will have the payroll batch complete and will have reviewed all documented changes to ensure the accuracy of the payroll register.
5. The Payroll Coordinator will run an audit log, and provide this, all employee payroll changes, and the draft payroll register to the Director of Human Resources to review and verify accuracy by 8:30am on Wednesday of a payroll processing week.
6. The Director of Human Resources will verify all changes on the audit log, confirm the data sets, and review the payroll register. Any manual adjustments will be noted in a Memo to the Payroll file and kept with all of the documentation for that pay date.
7. The final payroll register will be saved in the Payroll Reports folder and the Director of Human Resources, with the Payroll Coordinator and Human Resources Assistant will validate payroll, review any payroll warnings, and then process payroll by noon on the Wednesday of a payroll week.

8. Upon completion of payroll, Human Resources will file supporting documentation, any Memos to File, audit log, reimbursement forms, and paper timesheets in the appropriate payroll file.
9. By the end of a payroll week, Human Resources will run reports, distribute information to the Business Office, and process applicable employee contributions.
 - a. Every pay date:
 - Business Office – cash requirement report and payroll journal entry
 - ICMA – deduction report and upload employee contributions; once complete the documentation is provided to the Business Office for electronic transfer
 - b. Last pay date of the month (in addition to the above):
 - Business Office – audit log of pay changes to Director of Finance
 - IMRF – IMRF wage report and upload employee contributions; once complete the documentation is provided to the Business Office for electronic transfer
 - Aflac – Aflac report and pay online invoice; once complete the documentation is provided to the Business Office for electronic transfer
 - United Way – United Way report; submit documentation to Business Office for a check request
 - NCPERS – NCPERS report; submit documentation to Business Office for a check request