

VILLAGE OF BARTLETT, ILLINOIS

MANAGEMENT LETTER

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2021**



October 19, 2021

The Honorable Village President
Members of the Board of Trustees
Village of Bartlett, Illinois

In planning and performing our audit of the financial statements of the Village of Bartlett (the Village), Illinois, for the year ended April 30, 2021, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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

The accompanying comments and recommendations are intended solely for the information and use of the Board, Executive Director and senior management of the Village of Bartlett, Illinois.

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

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. GASB STATEMENT NO. 87 LEASES

Comment

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In accordance with GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued as temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, *Leases* is applicable to the Village's financial statements for the year ended April 30, 2023.

Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new lease criteria in conjunction with the Village's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

Management's Response

Management acknowledges the comment and will work with Lauterbach & Amen, LLP to implement when required.

PRIOR RECOMMENDATIONS

1. **FUNDS OVER BUDGET**

Comment

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget for the fiscal year:

<u>Fund</u>	<u>4/30/21</u>	<u>4/30/20</u>
Brewster Creek Project TIF	\$ 2,391,953	—
Debt Service	195,860	105,416
Parking	—	6,186

Recommendation

We recommended the Village investigate the causes of the funds over budget and adopt appropriate future funding measures.

Status

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

Management Response

The village board approved the Second Amended Estimated Redevelopment Project Costs in the Bartlett Quarry Redevelopment Plan on July 21, 2020. This allowed for an additional \$4,000,000 of eligible tax increment financing eligible costs to be expended within the Brewster Creek Business Park project. An additional tax increment revenue note was also approved to pay for the improvements until tax increment becomes available. These additional funds will allow for the completion of the project area before the tax increment finance district closes. The village board also approved the refunding of the 2012 GO bonds during the year for a present value savings of \$1,604,623. Bond issuance costs of \$198,949 included in the new bonds were the reason for the Debt Service Fund being over budget. Overall, the Debt Service fund balance increased by \$17,882 for the year.

PRIOR RECOMMENDATIONS - Continued

2. FUNDS WITH DEFICIT NET POSITION

Comment

Previously and during our current year-end audit procedures, we noted the following funds with deficit net position.

Fund	4/30/2021	4/30/2020
Water	\$ —	1,348,229
Golf	521,462	279,343
Parking	58,883	—

Recommendation

We recommended the Village investigate the causes of the deficit and adopt appropriate future funding measures.

Status

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

Management Response

The Golf Fund net position has continued to decrease due to the depreciation of its assets and the pandemic resulted in a loss of banquet and restaurant operating revenue. The number of golfing rounds continued to be up this year as the pandemic has resulted in a renewed interest in outdoor activities. Food & Beverage bookings have been increasing this summer as staff has worked to reschedule as many events as possible and pandemic related restrictions have been lifted. The Parking Fund net position is in a deficit as fund revenue dropped by over 90% due to commuters not riding the train during the pandemic. The village will work to restore these funds as the pandemic restrictions are lifted and commuters return to riding the train.