

VILLAGE OF ELK GROVE VILLAGE, ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
APRIL 30, 2020



September 22, 2020

The Honorable Mayor
Members of the Board of Trustees
Village of Elk Grove Village, Illinois

In planning and performing our audit of the financial statements of the Village of Elk Grove Village (Village), Illinois, for the year ended April 30, 2020, 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 fieldwork progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Finance Committee, Board of Trustees, management, and others within the Village of Elk Grove Village, 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

PRIOR RECOMMENDATION

1. **FUNDS WITH DEFICIT FUND BALANCE**

Comment

Previously and during our current year-end audit procedures, we noted funds with deficit fund balance. See the following funds and the April 30, 2020 fund balance compared to the April 30, 2019 fund balance:

<u>Fund</u>	<u>April 30, 2020</u>	<u>April 30, 2019</u>
Grove Mall Development	\$ (675,642)	(1,029,858)
Busse/Elmhurst Redevelopment	(14,022,556)	(15,282,039)
Higgins Road Redevelopment	(19,980,579)	(17,860,469)
Devon/Rohlwing Redevelopment	(272,672)	(335,565)

Recommendation

The Grove Mall Development, Devon/Rohlwing Redevelopment, Busse/Elmhurst Redevelopment, and Higgins Road Redevelopment Funds are tax incremental funds that are supported by incremental taxes generated within the TIF. Although the funds were established with the understanding that deficits would be made whole by future incremental taxes, we recommended the Village review budgetary expectations for these funds on an annual basis.

Management Response

The Grove Mall Development TIF, Devon/Rohlwing Redevelopment TIF, Busse/Elmhurst Redevelopment TIF, and Higgins Road Redevelopment TIF were specifically created and adopted by the Village Board to reimburse deficit balances from future property taxes collected. Each year, long term goals are discussed regarding each TIF in order to be in balance by the end of the life of the TIF.

Status

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