

VILLAGE OF LAKE BARRINGTON,
ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
APRIL 30, 2021



August 25, 2021

The Honorable Village President
Members of the Board of Trustees
Village of Lake Barrington, Illinois

In planning and performing our audit of the financial statements of the Village of Lake Barrington (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, The Honorable Village President and senior management of the Village of Lake Barrington, 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 Response

Management acknowledges this comment but also wants to note that the Village is not a party in any leases at this time.

2. FUND OVER BUDGET

Comment

During our current year-end audit procedures, we noted that the following fund has an excess of actual expenditures over budget for the fiscal year.

	Fund	Excess
General	\$	6,203

Recommendation

We recommend the Village investigate the causes of the fund over budget and adopt appropriate future funding measures.

Management Response

Management acknowledges this comment and notes that the budget overage is due to the development of the Fetherling property. Because of the unknown consequences of COVID at the beginning of the fiscal year, the Board opted to defer the use of the OSLAD grant to develop Fetherling Park until there was confidence that the Village would weather the pandemic with sufficient funds to cover development. The original budget did not reflect the build out however, because IDNR would not extend the grant and because the Village ended up having sufficient funds for construction, the project was given a green light to be started in FY2021.