

**VILLAGE OF BEACH PARK, ILLINOIS**  

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**MANAGEMENT LETTER**

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



October 1, 2021

The Honorable Village President  
Members of the Board of Trustees  
Village of Beach Park, Illinois

In planning and performing our audit of the financial statements of the Village of Beach Park (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, Finance Director and senior management of the Village of Beach Park, 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 RECOMMENDATION

### 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 and will work to implement by April 30, 2023, as required by GASB.

## **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, 2021 fund balance compared to the April 30, 2020 fund balance:

<u>Fund</u>	<u>4/30/2021</u>	<u>4/30/2020</u>
Tax Increment Financing - Green Bay	\$ —	(82,108)
Tax Increment Financing - Sheridan Extension	(74,633)	(74,086)
Tax Increment Financing - Lewis	(25,532)	(47,202)

#### Recommendation

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

#### Status

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

#### Management Response

The negative fund balances are mainly due to set up costs from when the TIF districts were established. In addition, the county was calculating the increment incorrectly until 2015. All the TIF funds are receiving increment now, but it will take some time to eliminate the deficit fund balances. A Casey's General Store is slated to break ground in the Sheridan Road Original TIF in 2021. The Village and the TIF Committee continue to work to minimize expenditures and attract development within the TIF districts.