

VILLAGE OF LIBERTYVILLE

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
APRIL 30, 2019



July 12, 2019

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

In planning and performing our audit of the financial statements of the Village of Libertyville (Village), Illinois, for the year ended April 30, 2019, 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 of Trustees, management, and others within the Village of Libertyville, 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. FUND NOT IN COMPLIANCE WITH FUND BALANCE POLICY

Comment

During our current year-end audit procedures, we noted the following fund with fund balance that was not in compliance with the Board approved fund balance policy:

	<u>Per 2019 Budget</u>	<u>Fund Balance per CAFR</u>	<u>Amount Not In Compliance</u>
Commuter Parking Fund			
Minimum Calculation			
Operating Expenditures	\$ 1,601,680		
X's 3/12 per Policy	<u>25%</u>		
	400,420	372,647	27,773

Recommendation

We recommend the Village investigate the fund balance and adopt a future budget to address this item not in compliance.

Management Response

The Village of Libertyville undertook a renovation of its downtown train station beginning in 2018 using accumulated fund balance in the Commuter Parking Fund. Metra partnered with the Village to provide funding in an amount of \$300,000 toward the construction costs of the project. Originally, Management anticipated completing the project and receiving the reimbursement no later than April 30, 2019. However, weather and operational elements delayed project completion past the end of the fiscal year. Management anticipates completing the project and receiving the \$300,000 Metra cost sharing reimbursement in early fiscal year 2020 which will replenish the fund balance in this fund and bring it into compliance with its fund balance policy.