

VILLAGE OF WOODRIDGE,
ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021



June 8, 2022

The Honorable Mayor
Members of the Board of Trustees
Village of Woodridge, Illinois

In planning and performing our audit of the financial statements of the Village of Woodridge (Village), Illinois, for the fiscal year ended December 31, 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 of Trustees, management, and others within the Village of Woodridge, 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 December 31, 2022.

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 this comment and will work with Lauterbach and Amen, LLP to implement by December 31, 2022, as required by GASB.

PRIOR RECOMMENDATION

1. **GRANT POLICY**

Comment

Previously, we noted that the Village does not have a formalized Grant Policy that documents their grant procedures. Any department within the Village may apply for, and be awarded, grant funding from a variety of State and Federal sources. A Grant Policy should document the procedures in place for ensuring grant requirements are being monitored for Single Audit & Grant Accountability Transparency Act (GATA). The formalized policy will help ensure that each department will follow these procedures and safeguard against the Village not being in compliance.

Recommendation

We recommended the Village develop a formalized policy to document the procedures in place for tracking and monitoring grant activities for compliance with applicable requirements. The policy should include the award process, accounting for the grant, compliance monitoring, and reporting process for Single Audits and GATA requirements.

Status

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