

VILLAGE OF MAPLE PARK, ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
APRIL 30, 2024

P.O. Box 220
Maple Park, IL 60151
Phone: 815.827.3309
Fax: 815.827.4040
www.villageofmaplepark.org



September 12, 2024

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

In planning and performing our audit of the financial statements of the Village of Maple Park (Village), Illinois, for the year ended April 30, 2024, 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 Finance Committee, Board of Trustees, management, and others within the Village of Maple 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

PRIOR RECOMMENDATIONS

1. GASB STATEMENT NO. 94 PRIVATE-PUBLIC AND PUBLIC-PUBLIC PARTNERSHIPS AND AVAILABILITY PAYMENT ARRANGEMENTS

Comment

In March 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, which provides guidance regarding the information needs of financial statement users by improving the comparability of financial statements among governments that enter into public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. A PPP is an arrangement in which a government (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definitions Service Concession Arrangements (SCAs) if (a) the operator collects and is compensated by fees from third parties, (b) the transferor (government) determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services, and (c) the transferor (government) is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. An APA is an arrangement in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements is applicable to the Village's financial statements for the year ended April 30, 2024.

Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new criteria associated with PPPs and PAs to determine the appropriate financial reporting for these activities under GASB Statement No. 94.

Status

As the Village has no PPPs or APAs, this comment is considered implemented. The Village and Lauterbach & Amen will continue to monitor PPPs and APAs in the future to determine if additional reporting is required.

PRIOR RECOMMENDATIONS – Continued

2. GASB STATEMENT NO. 96 SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Comment

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, Subscription-Based Information Technology Arrangements, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) by governments. It establishes uniform accounting and financial reporting requirements for SBITAs, improves the comparability of financial statements among governments that have entered into SBITAs, and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. GASB Statement No. 96, Subscription-Based Information Technology Arrangements is applicable to the Village's financial statements for the year ended April 30, 2024.

Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new SBITA criteria in conjunction with the Village's current arrangements to determine the appropriate financial reporting for these activities under GASB Statement No. 96.

Status

As the Village has no material subscriptions, there was no impact on the financial statements in the current year, therefore this comment is considered implemented. The Village and Lauterbach & Amen will continue to monitor subscriptions in the future to determine if additional reporting is required. This comment is implemented and will not be repeated.

PRIOR RECOMMENDATIONS – Continued

3. GASB STATEMENT NO. 100 ACCOUNTING CHANGES AND ERROR CORRECTIONS

Comment

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 100, Accounting Changes and Error Corrections, which establishes accounting and financial reporting requirements for (a) accounting changes, and (b) the correction of an error in previously issued financial statements (error correction). Accounting changes are (a) changes in accounting principle, (b) changes in accounting estimates, or (c) changes to or within the financial reporting entity. Error corrections are (a) errors from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were issued, or (b) a change from (i) applying an accounting principle that is not generally accepted to transactions or other events that previously were significant to (ii) applying a generally accepted accounting principle to those transactions or other events is an error correction. GASB Statement No. 100 requires that (a) changes in accounting principal and error corrections are reported retroactively, (b) changes in accounting estimates are reported prospectively, and (c) changes to or within the financial reporting entity should be reported by adjusting the current reporting period's beginning net position, fund balance, or fund net position, as applicable, for the effect of the change as if the change occurred as of the beginning of the reporting period. GASB Statement No. 100, Accounting Changes and Error Corrections is applicable to the Village's financial statements for the year ended April 30, 2025.

Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review any accounting changes or error corrections to determine the appropriate financial reporting for these activities under GASB Statement No. 100.

Status

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

Management's Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

PRIOR RECOMMENDATIONS – Continued

4. **GASB STATEMENT NO. 101 COMPENSATED ABSENCES**

Comment

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, Compensated Absences, which establishes standards of accounting and financial reporting for (a) compensated absences, and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). The statement requires that a liability should be recognized for any type of leave that has not been used at year-end if (a) The leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Examples of leave that should be reviewed, and potentially measured under GASB Statement No. 101 are vacation leave, paid time off leave, holiday leave, and sick leave. Examples of leave that are excluded from GASB Statement No. 101 are parental leave, military leave, and jury duty leave. GASB Statement No. 101, Compensated Absences is applicable to the Village’s financial statements for the year ended April 30, 2025.

Recommendation

Lauterbach & Amen, LLP will work directly with the Village to review the new compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits criteria to determine the appropriate financial reporting for these activities under GASB Statement No. 101.

Status

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

Management’s Response

Management acknowledges this comment and, if applicable, will work to implement it when required by GASB.

5. **FUND OVER BUDGET**

Comment

Previously, we noted that the following fund had an excess of actual expenditures over budget for the fiscal year.

Fund	2023
Utility Tax	\$ 1,050

PRIOR RECOMMENDATIONS – Continued

5. FUND OVER BUDGET - Continued

Recommendation

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

Status

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