

# VILLAGE OF BARTLETT, ILLINOIS

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## MANAGEMENT LETTER



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2025

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October 13, 2025

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

In planning and performing our audit of the financial statements of the Village of Bartlett (the Village), Illinois, for the year ended April 30, 2025, 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, Executive Director and senior management of the Village of Bartlett, 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. **FUNDS OVER BUDGET**

Comment

During our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures, over budget for the fiscal year:

Fund	4/30/25
Brewster Creek Municipal TIF	\$ 817,532
Brewster Creek Project TIF	744,415
Police Pension	218,753

Recommendation

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

Management Response

The Brewster Creek Municipal and Project TIF accounts were over budget due to the distribution of TIF surplus to the taxing districts. At the November 5<sup>th</sup>, 2024 Village of Bartlett board meeting an ordinance was approved declaring a surplus in the Bartlett Quarry TIF Cash Reserve Account. It was determined that \$860,000 of the cash reserves would be retained to cover potential tax refund liabilities while the remaining reserves of \$1,820,000 should be distributed to the taxing districts in accordance with the TIF Act.

The Police Pension Fund was over budget due to the number of police members who turned in their resignation and requested their pension contributions to be refunded or to have their service time be transferred to the municipality they are currently employed for. The dollar amount for refunds issued in the five prior years ranged from \$0 to \$116,000. In FY 2025 the amount of refunds were for \$327,513.

**CURRENT RECOMMENDATIONS - Continued**

**2. FUNDS NOT IN COMPLIANCE WITH FUND BALANCE POLICY**

Comment

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

	Per 2024 Budget	Fund Balance Per Audit	Amount Not In Compliance
Golf Fund			
Minimum			
Operating Expenditures	\$ 4,365,881		
X's 1/10 per policy	10%		
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	436,588	(703,509)	1,140,097
Parking Fund			
Minimum			
Operating Expenditures	70,285		
X's 1/10 per policy	10%		
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	7,029	(182,862)	189,891

Recommendation

We recommend the Village investigate the fund balances and adopt future budgets to address these items not in compliance.

Management Response

The Golf Course was hit hard by the COVID pandemic as it continues to struggle to climb out of its negative deficit. While Fiscal Year 2024 was a good year for the golf course in reducing the negative deficit by \$249,177, Fiscal Year 2025 wiped out that reduction by increasing the deficit by \$259,808. Much of the reason for the change from FY 24 to FY 25 is due to depreciation expense and pension liability expenses. Depreciation expense went up \$90,174 due to the completion of the new irrigation system. IMRF pension and OPEB liability expenses saw a negative swing of \$236,190 from FY 24 to FY 25. In FY 24 pension and OPEB liability expenses went down \$137,369 whereas in FY 25 they increased expenses by \$98,821. Village Hall staff will continue to analyze and assess the Golf fund to see what additional changes can be made to increase revenues and/or decrease expenses. Staff will also look into whether switching the Golf Fund from an Enterprise Fund to a Governmental Fund will be necessary in the coming years.

Parking Fund was another enterprise fund that was hit hard by the pandemic with the number of daily commuters being reduced significantly. Parking revenue has been slowly increasing the last few years, increasing \$22,419 in FY 2023, \$16,628 in FY 2024, and now \$3,474 in FY 2025. All personnel services that were being expensed out of the Parking Fund have been removed in an effort to keep expenses as low as possible. Finance staff will also be analyzing our Metra parking rates this upcoming year to see if a rate increase will be necessary.

## PRIOR RECOMMENDATION

### 1. FUNDS WITH DEFICIT FUND BALANCE/NET POSITION

#### Comment

Previously and during our current year-end audit procedures, we noted the following funds with fund/deficit net position balance.

Fund	4/30/24	4/30/25
Rt. 59 and Lake TIF	\$ 2,564,078	2,547,116
Golf	443,701	703,509
Parking	195,086	182,862

#### Recommendation

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

#### Status

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

#### Management Response

The Rt. 59 & Lake St. TIF has a deficit net position due to a loss on the sale of land during FY 23. Land in the TIF that was held for resale was sold to Bartlett Automotive Mall, LLC as part of a Development Incentive Agreement with Bartlett Automotive Mall, LLC and Loquercio Automotive Inc. The development incentive agreement resolution and vacant land lease with option to purchase ordinance were approved by the Village Board at the 11/21/21 board meeting. The land was originally purchased for \$2,814,078 with funds loaned from the developer deposits, municipal building, and sewer funds. The land was then sold on 11/18/22 for \$250,000. The village will use sales tax generated from the car dealerships to eliminate the deficit net position in the coming years.

## UPCOMING STANDARDS

### 1. **GASB STATEMENT NO. 102 CERTAIN RISK DISCLOSURES**

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, *Certain Risk Disclosures*, which establishes the requirements for disclosing, in the notes to the financial statements, the risks related to a government's vulnerabilities due to certain concentrations or constraints that are essential to their analyses for making decisions or assessing accountability. Governments may be vulnerable to risks from certain concentrations or constraints that limit their ability to acquire resources or control spending. Concentration risk is a lack of diversity related to an aspect of a significant inflow of resources (revenues) or outflow of resources (expenses). Constraint risk is a limitation that is imposed by an external party or by formal action of a government's highest level of decision-making authority. GASB Statement No. 102, *Certain Risk Disclosures* is applicable to the Village's financial statements for the year ended April 30, 2026.

### 2. **GASB STATEMENT NO. 103 FINANCIAL REPORTING MODEL IMPROVEMENTS**

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes improvements to key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement addresses application issues related to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. GASB Statement No. 103, *Financial Reporting Model Improvements* is applicable to the Village's financial statements for the year ended April 30, 2027.