

VILLAGE OF GURNEE, ILLINOIS

MANAGEMENT LETTER

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2013**

August 28, 2013

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

In planning and performing our audit of the financial statements of the Village of Gurnee, Illinois, for the year ended April 30, 2013, 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 Gurnee, 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

CURRENT RECOMMENDATIONS

1. **GASB STATEMENT NO. 61 – THE FINANCIAL REPORTING ENTITY: OMNIBUS – AN AMENDMENT OF GASB STATEMENTS NO. 14 AND NO. 34**

Comment

In November 2010, the GASB issued Statements No. 61: The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34. The objective of Statement No. 61 is to improve financial reporting for a governmental financial reporting entity. Specifically, it modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. Furthermore, Statement No. 61 identifies and clarifies the criterion for discrete presentation of component units as well as the criterion for blending (reporting as a fund of the primary government). The effective date for the Village is for the April 30, 2014 fiscal year.

Recommendation

We recommend that the Village review with us through the next audit process any potential related entities, joint ventures, component units, etc. to ensure proper reporting under GASB Statement No. 61.

2. **FUNDS OVER BUDGET**

Comment

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

<u>Fund</u>	<u>Excess</u>
Debt Service	\$ 20,773
Golf Course	1,498
Police Pension	168,502
Firefighters' Pension	138,716

Recommendation

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