

UNITED CITY OF YORKVILLE,  
ILLINOIS

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MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2020



October 8, 2020

The Honorable City Mayor  
Members of the City Council  
United City of Yorkville, Illinois

In planning and performing our audit of the financial statements of the United City of Yorkville (City), Illinois, for the year ended April 30, 2020, 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 fieldwork progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Finance Committee, City Council, management, and others within the United City of Yorkville, 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 City 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 City staff.

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP

## PRIOR RECOMMENDATION

### 1. FUNDS WITH DEFICIT FUND BALANCE

#### Comment

Previously and during the current year-end audit procedures, we noted funds with deficit fund balance. See the following deficit fund balances at April 30, 2020 and April 30, 2019:

Fund	4/30/2020	4/30/2019
Sunflower Special Service Area	\$ (16,200)	(22,626)
Countryside TIF	(1,141,784)	(422,459)
Downtown TIF	(1,237,549)	(1,024,518)
Downtown TIF II	(73,799)	(2,736)

#### Recommendation

We recommended the City investigate the causes of the various deicits and adopt appropriate future funding measures.

#### Management Response

Management is aware of the negative equity position of the Countryside TIF, Downtown and Downtown II TIF Funds, and believes that over time the development within the TIF districts will yield sufficient property tax increment to meet debt service requirements and eliminate the fund's negative equity.

The deficit in the Sunflower Special Service Area Fund is due to one-time expenditures relating to the naturalization of three detention basins within the SSA. This project will be paid back with SSA property tax proceeds over the next five years.

#### Status

As of April 30, 2020, this comment has not been implemented and will be repeated in the future.