VILLAGE OF ELK GROVE VILLAGE, ILLINOIS

MANAGEMENT REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2025

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October 15, 2025

The Honorable Village President
Members of the Board of Trustees
Village of Elk Grove Village, Illinois

In planning and performing our audit of the financial statements of the Village of Elk Grove Village (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 Finance Committee, Board of Trustees, management, and other senior management of the Village of Elk Grove Village, 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 RECOMMENDATION

1. FUNDS WITH DEFICIT FUND BALANCE

Comment

Previously and during our current year-end audit procedures, we noted funds with deficit fund balance. See the following funds and the April 30, 2025 fund balance compared to the April 30, 2024 fund balance:

Fund	April 30, 2024	April 30, 2025
Higgins Road Redevelopment	$ 11,826,337	10,139,037
Devon/Rohwling Redevelopment	483,510	404,506

Recommendation

The Higgins Road Redevelopment and Devon/Rohlwing Redevelopment Funds are tax incremental funds that are supported by incremental taxes generated within the TIF. Although the funds were established with the understanding that deficits would be made whole by future incremental taxes, we recommended the Village review budgetary expectations for these funds on an annual basis.

Status

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

Management Response

The Higgins Road Redevelopment TIF and Devon/Rohlwing Redevelopment TIF Funds were specifically created and adopted by the Village Board to reimburse deficit balances from future property taxes collected. Each year, long term goals are discussed regarding each TIF in order to be in balance by the end of the life of the TIF.

UPCOMING STANDARDS

1. 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, 2026.

2. GASB STATEMENT NO. 104 DISCLOSURE OF CERTAIN CAPITAL ASSETS

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, *Disclosure of Certain Capital Assets*, which provide users of government financial statements with essential information about certain types of capital assets. This statement establishes requirements for (1) Certain types of capital assets to be disclosed separately in the capital assets note disclosures, and (2) Capital assets held for sale, including additional disclosures for those capital assets. GASB Statement No. 104, *Disclosure of Certain Capital Assets* is applicable to the Village's financial statements for the year ended April 30, 2027.