



Agenda Item Summary

File #: MOT 23-53, **Version:** 3

Submitted By

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Reviewed By

A.M. Zayyad, Deputy Village Manager

Agenda Item Title

A Motion to Receive the Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR) and Supporting Documents as Reviewed at the Special Board meeting on June 12, 2023

Overview

On June 12, 2023, a Special Board meeting was held to review and discuss the independent annual audit (ACFR) and related reports such as the management communication letter, for the year ending December 31, 2022. This action is the formal acceptance of the audit and related reports by the Village Board. Village staff must submit the audit to the State of Illinois and other interested parties by June 30, 2023.

Recommendation

Adopt the motion

Background

Presented for the Board's review and information is the Village's annual comprehensive financial report (ACFR for short) for the calendar year ending December 31, 2022. The audit was performed by Sikich LLP under the direction of Jim Savio as the partner-in-charge. Per standard practice, also presented are the Auditor Communication Letter and a separate report on Communication of Deficiencies in Internal Controls.

Pursuant to Section 2-6-3 of the Municipal Code, as soon as practicably possible after the close of the fiscal year, but no later than six months into the subsequent year, there shall be an independent audit for all accounts of the Village conducted independently of the Village Manager and made by a competent person or firm authorized to serve as an auditor under State of Illinois licensure and law.

The overall purpose of the financial audit is to determine if the financial data of the Village is presented fairly in all material respects and whether the Village has complied with applicable laws and regulations. Per the audit opinion letter located within the ACFR document, Sikich LLP has conveyed that the financial statements are presented fairly, in all material respects, and are in accordance with U.S. generally accepted accounting principles.

Of primary importance is the unqualified opinion provided by Sikich to the Village, which is the highest level of confidence a municipality can receive on its financial information under an audit. In addition, staff will apply for the 2022 GFOA Certificate of Achievement Award for Financial Reporting Excellence as done in previous

years.

In addition to the ACFR, the Auditor's Communication to the Board report includes a description of the audit process and adjusting journal entries determined necessary under the audit. Included as well is the Management Letter intended to be a direct communication tool to report important findings from the auditor to top management and elected officials. The Management Letter generally identifies matters that the independent auditor believes may assist the organization going forward.

The Auditor also issued a Communication of Deficiencies report which identifies specific opportunities for strengthening internal controls and operating efficiencies within the Village. However, these issues or comments are not considered as significant as those communicated in the Management Letter report.

Fiscal Impact

None

DEI Impact

None

Alternatives

The Board could defer acceptance of the report to a later date, however, this later date must still be before June 30, 2023, to stay in compliance under Illinois statute.

Previous Board Action

MOT 22-57 approved June 21, 2022

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

N/A

Intergovernmental Cooperation Opportunities

N/A