



Certified Public Accountants & Consultants

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December 16, 2020

To Management
of the Village of Bourbonnais
Bourbonnais, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bourbonnais for the year ended April 30, 2020 and have issued our report thereon dated December 16, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In planning and performing our audit, we considered the Village of Bourbonnais' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Village of Bourbonnais' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Bourbonnais' internal control over financial reporting.

During our audit, we noted a certain matter involving internal control and other operational matters that are presented for your consideration. The following is a description of the matter noted:

Uncollateralized Deposits

During our audit, we noted the Village had deposits in excess of FDIC insurance coverage with no additional collateral. As of April 30, 2020, uncollateralized deposits totaled \$90,337. The Village maintains various accounts with seven different financial institutions. Per FDIC rules, Governments receive \$250,000 of coverage for all time/savings deposits, \$250,000 of coverage for all demand deposits, and \$250,000 of coverage for each bondholder for accounts restricted by a bond indenture. The Village's Sewer Fund Operating checking account, an interest-bearing account not restricted by a bond indenture, had a balance of \$336,025 on April 30, 2020 of which \$250,000 was covered by FDIC insurance. The Village's General Fund checking account and Impact Fund checking account, both non-interest-bearing accounts not restricted by a bond indenture, had a combined balance of \$254,312 on April 30, 2020 of which \$250,000 was covered by FDIC insurance.

The Village had not requested additional collateral from the financial institutions to secure these funds.

We recommend the Village request collateral from all financial institutions holding Village deposits in excess of FDIC insurance coverage amounts.

Unpaid Pension Contribution

During the prior year audit, we noted the Village did not pay the entire required minimum employer contribution to the Bourbonnais Police Pension Fund. The actuarial determined required minimum contribution was \$723,621, however the Village only paid \$706,436. The Village should have paid an additional \$17,185 to meet the minimum required contribution amount. We proposed an audit adjustment during the prior audit to record the amount payable. During the current year audit, we noted the Village had not yet paid the additional \$17,185 due the Police Pension Fund for the fiscal year 2019 contribution.

We recommend the Village pay the remaining balance of the Fiscal Year 2019 required minimum employer contribution to the Police Pension Fund.

In addition, we identified a certain material weakness that has been reported to you in our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

This communication is intended solely for the information and use of management of the Village of Bourbonnais and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Borschnack, Pelletier & Co.