



VILLAGE OF OAK PARK, ILLINOIS

MANAGEMENT LETTER

For the Year Ended December 31, 2024

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The Honorable Village President
Members of the Board of Trustees
Village of Oak Park, Illinois

In planning and performing our audit of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Oak Park, Illinois (the Village) as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all the deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control on the next page to be material weaknesses.

The Village's written response to the material weaknesses identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

SIKICH CPA LLC

Naperville, Illinois
December 24, 2025

MATERIAL WEAKNESSES

Year End Financial Close and Reporting

During our audit we identified and proposed certain audit adjustments, which were reviewed and approved by management, to present fairly the Village's basic financial statements. Details of all of these adjustments are available in the separate Board Communication Report provided. Additionally, the Village provided a significant number of adjusting journal entries subsequent to providing the initial trial balances. These entries arose from supporting schedules not agreeing to the trial balances and/or from our detailed testing, which identified inaccuracies, incomplete schedules or both. Some of the entries posted were material in nature. Additionally, similar entries that are undetected could result in material misstatements in the Village's financial statements in the future. We recommend the Village implement a more thorough review process of the final trial balances and supporting schedules prior to providing them to the auditors for testing. This review should be performed by someone independent of the preparer and of the appropriate skill level.

Management Response: All financial statements including the trial balance and supporting schedules will be reviewed by the Chief Financial Officer and the Deputy Chief Financial officer who has the appropriate skill set as well are independent of the preparer(s).

Grant Reporting, Administration, and Revenue Recognition

The Village is responsible for establishing and maintaining internal controls and for the fair presentation of the Schedule of Expenditures of Federal Awards (SEFA) in accordance with Uniform Grant Guidance. Additionally, revenue recognition for grants should be recorded under the expenditure matching concept, whereas the revenue is recognized when the related grant expenditures are incurred. The Village is a recipient of numerous grant awards from a variety of agencies. Each grant program provides specific guidance to the Village regarding aspect such as the use of funds, period of eligibility, and reporting requirements. There were errors on the SEFA related to the expenditures of certain federal programs, and audit adjustments were recommended to adjust current period grant revenue, receivable, and deferred revenues. The lack of financial reconciliations resulted in misstated revenues and receivable balances at year end. Failure to establish an effective internal control can enable material misstatements to occur in the SEFA. It is recommended that the Village prepare schedules to assist in tracking activity for all grants awarded, including information such as costs incurred, revenues received, and reimbursement requests submitted, which will allow the Village to have a better understanding of the status of each of its significant grant programs. These schedules can be used to reconcile the Village's accounting system to ensure revenue is properly recognized. We also recommend the Village strengthen its process for reviewing the SEFA to ensure compliance with Uniform Grant Guidance, including close communication with the departments involved with the programs.

Management Response: Grant reconciliations and schedules which reflects costs incurred, revenue received and when reimbursements were requested will be completed on a monthly basis. This will ensure that revenue is recognized properly and will strengthen the SEFA reviewing process. It will also ensure compliance with the Uniform Grant Guidance.