VILLAGE OF OAK PARK, ILLINOIS

AUDITOR'S COMMUNICATION TO THE
BOARD OF TRUSTEES

For the Year Ended
December 31, 2016

Sikich®

VILLAGE OF OAK PARK, ILLINOIS
AUDITOR'S COMMUNICATION TO THE BOARD OF TRUSTEES
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1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

June 13, 2017

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

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by auditing standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you on January 1, 2017.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect the Village, are enclosed within this document.

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

Sincerely,

Sikich LLP

Sikich LLP
By: Daniel A. Berg, CPA
Partner

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Certified Public Accountants & Advisors
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June 13, 2017

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

Ladies and Gentlemen:

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 Oak Park, Illinois (the Village) for the year ended December 31, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted accounting standards, *Governmental Auditing Standards*, and OMB Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter dated November 23, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards* and the Uniform Guidance

As stated in our engagement letter dated November 23, 2016, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the Village's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Village's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Village's compliance with those requirements.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Village are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2016 with the exception of the implementation of except for the implementation of GASB Statement No. 72, *Fair Value Measurement and Application*. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate effecting the Village's financial statements was:

> Management's estimate of the book value of property held for resale is based on historical cost adjusted for estimated lower of cost or market. Additionally the net pension liabilities were calculated by the actuaries for each pension plan. We evaluated key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter, dated November 23, 2016, which was mailed to your attention in December 2016.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole, with the exception of the adjustment numbered AJE01, AJE02, AJE03, AJE04, AJE05, AJE07, AJE08, AJE09, AJE10, AJE11, AJE12, AJE13, AJE14, AJE15, AJE17, AJE18, AJE19, AJE20, AJE21, AJE22, AJE23.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 13, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

The comprehensive annual financial report (CAFR) for the year ending December 31, 2016, contains an introductory section and statistical section which is unaudited and not covered by our report. In addition, we applied certain limited procedures to the required supplementary information (RSI) (pension and other post-employment benefit trend information, managements'

discussion and analysis and budget versus actual for major funds) included in the CAFR. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining and individual fund financial statements and schedules, which accompany the basic financial statements but are not RSI. With respect to the combining and individual fund financial statements and schedules accompanying the basic financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the combining and individual fund financial statements and schedules to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Restriction on Use

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

Sincerely,

Sikich LLP

Sikich LLP
By: Daniel A. Berg, CPA
Partner

Village of Oak Park - 00

Year End: December 31, 2016

Adjusting Journal Entries

Date: 1/1/2016 To 12/31/2016

Number	Date	Name	Account No	Amount
AJE01	12/31/2016	Taxes Receivables	1001-00000-000-105131 1001	(796,427.93)
AJE01	12/31/2016	Deferred Property Tax Revenue	1001-00000-000-223270 1001	796,427.93
		To adjust the Receivable & Deferred Revenue balances related to the 2016 Tax Levy to actual.		
AJE02	12/31/2016	Due To Fed State And Other	1001-00000-000-115124 1001	(231,891.05)
AJE02	12/31/2016	Personal Prop Replacement Tax	1001-41300-101-435410 1001	231,891.05
		To adjust the Village's PPRT revenue to actual.		
AJE03	12/31/2016	Accrued Liabilities - AP	3095-00000-000-202209 3095	(137,086.33)
AJE03	12/31/2016	Project Engineering	3095-43780-721-570706 3095	137,086.33
AJE03	12/31/2016	Accrued Liabilities - AP	6028-00000-000-202209 6028	(564,214.63)
AJE03	12/31/2016	Health Insurance Premiums	6028-41080-101-520683 6028	564,214.63
		To properly accrue accounts payable.		
AJE04	12/31/2016	Prepaid Expenses	1001-00000-000-143176 1001	234,264.09
AJE04	12/31/2016	Prepaid Expenses	1001-00000-000-143176 1001	14,717.53
AJE04	12/31/2016	Loan Principal	1001-42520-101-581807 1001	(230,200.96)
AJE04	12/31/2016	Loan Interest Expense	1001-42520-101-581808 1001	(18,780.66)
AJE04	12/31/2016	Loan Principal	1001-46260-101-581807 1001	(234,264.09)
AJE04	12/31/2016	Loan Principal	1001-46260-101-581807 1001	230,200.96
AJE04	12/31/2016	Loan Interest Expense	1001-46260-101-581808 1001	(14,717.53)
AJE04	12/31/2016	Loan Interest Expense	1001-46260-101-581808 1001	18,780.66
		To properly record pre paid expenses related to debt payments. Also to reclass debt payment to correct account.		
AJE05	12/31/2016	Accrued Liabilities - AP	5040-00000-000-202209 5040	328,395.33
AJE05	12/31/2016	City Of Chicago Water Expense	5040-43730-776-560691 5040	(328,395.33)
		To accrue water expense as of 12/31/16.		
AJE06	12/31/2016	Business Licenses	1001-46205-101-421426 1001	(60,800.00)
AJE06	12/31/2016	Business Licenses	1001-46250-101-421426 1001	60,800.00
		To reclass erroneous entry to different revenue account, per Village.		
AJE07	12/31/2016	Infrastructure	9098-00000-000-162000 9098	114,194.57
AJE07	12/31/2016	Accum Depr Infrastructure	9098-00000-000-162500 9098	(2,283.89)
AJE07	12/31/2016	Less Fixed Assets Capitalized	9098-41300-991-580999 9098	(114,194.57)
AJE07	12/31/2016	Depreciation Expense	9098-41300-992-580899 9098	2,283.89
		To adjust capital assets		

Number	Date	Name	Account No	Amount
AJE08	12/31/2016	Accounts Receivable	5040-00000-000-115121 5040	(605,102.79)
AJE08	12/31/2016	Overpayments	5040-00000-000-239240 5040	322,278.55
AJE08	12/31/2016	Utility Sales	5040-43730-101-444401 5040	605,102.79
AJE08	12/31/2016	Utility Sales	5040-43730-101-444401 5040	(322,278.55)
AJE08	12/31/2016	Accounts Receivable	5055-00000-000-115121 5055	(157,945.89)
AJE08	12/31/2016	Refuse Collection Fees	5055-43760-101-444453 5055	157,945.89
		To adjust the Water & Refuse Billed A/R and A/R-Overpayments to actual.		
AJE09	12/31/2016	Retained Earnings	5060-00000-000-353392 5060	(351,287.00)
AJE09	12/31/2016	Less Fixed Assets Capitalized	5060-41300-101-580999 5060	351,287.00
		To record PPA for Business-Type Capital Assets.		
AJE10	12/31/2016	Construction In Progress	5060-00000-000-164183 5060	269,274.22
AJE10	12/31/2016	Parking Structures	5060-00000-000-173187 5060	(269,274.22)
AJE10	12/31/2016	Parking Structures Accum Depr	5060-00000-000-173587 5060	26,927.42
AJE10	12/31/2016	Depreciation Expense	5060-41300-101-580899 5060	(26,927.42)
		To Move Depreciable Asset to CIP.		
AJE11	12/31/2016	Payment to Escrow Agent	4025-41300-101-591896 4025	19,997,126.00
AJE11	12/31/2016	Bond Issuance Fees	4025-41300-139-530805 4025	169,829.10
AJE11	12/31/2016	Premium on Bond Proceeds	4025-41300-159-493802 4025	(58,711.06)
AJE11	12/31/2016	Premium on Bond Proceeds	4025-41300-159-493802 4025	(169,829.10)
AJE11	12/31/2016	Bond Proceeds	4025-41300-160-493800 4025	(20,300,000.00)
AJE11	12/31/2016	Bond Issuance Fees	4025-41300-181-530805 4025	361,585.06
AJE11	12/31/2016	GO Bonds Payable	5040-00000-000-231207 5040	(810.00)
AJE11	12/31/2016	Miscellaneous Revenue	5040-43750-781-441462 5040	810.00
AJE11	12/31/2016	Accrued Bond Interest Payable	5060-00000-000-225206 5060	(212,540.87)
AJE11	12/31/2016	Bond Interest Expense	5060-41300-157-581802 5060	212,540.87
AJE11	12/31/2016	Bonds Payable 2011B	9099-00000-000-231317 9099	(20.00)
AJE11	12/31/2016	Bonds Payable 2012A	9099-00000-000-231318 9099	405.00
AJE11	12/31/2016	Capital Leases Payable	9099-00000-000-231320 9099	199,061.01
AJE11	12/31/2016	Capital Lease	9099-41300-101-493804 9099	(199,061.01)
AJE11	12/31/2016	Bond Principal Payment	9099-41300-148-581801 9099	(405.00)
AJE11	12/31/2016	Bond Principal Payment	9099-41300-159-581801 9099	20.00
		To adjust debt balances.		
AJE12	12/31/2016	PROPERTY HELD FOR RESALE	2072-00000-000-103117 2072	(2,544,999.51)
AJE12	12/31/2016	Gain/Loss on Sale of Property	2072-46205-101-462476 2072	2,544,999.51
		To adjust land held for sale for 970 Madison (based on anticipated sales price)		
AJE13	12/31/2016	Unamortized Bond Premium	9099-00000-000-231209 9099	(25,180.78)
AJE13	12/31/2016	2006B GO Bond PW Payable	9099-00000-000-231308 9099	(19,606,451.52)
AJE13	12/31/2016	GO Bond Series 2016A	9099-00000-000-231325 9099	20,300,000.00
AJE13	12/31/2016	Fund Balance	9099-00000-000-353390 9099	(1,205,574.15)
AJE13	12/31/2016	Fund Balance	9099-00000-000-353390 9099	677,727.16
AJE13	12/31/2016	Fund Balance	9099-00000-000-353390 9099	(53,915.02)

Number	Date	Name	Account No	Amount
AJE13	12/31/2016	Fund Balance	9099-00000-000-353390 9099	(53,915.02)
AJE13	12/31/2016	Loan Proceeds	9099-41300-101-493805 9099	(169,829.10)
AJE13	12/31/2016	Bond Interest Expense	9099-41300-101-581802 9099	(32,690.67)
AJE13	12/31/2016	Bond Interest Expense	9099-41300-101-581802 9099	(250,045.26)
AJE13	12/31/2016	Payment To Escrow Agent	9099-41300-101-591896 9099	919,874.36
AJE13	12/31/2016	Bond Principal Payment	9099-41300-177-581801 9099	(500,000.00)
		To reverse entries recorded to fund balance in Fund 9099 and refunding entry.		
AJE14	12/31/2016	2006B GO Bond PW Payable	9099-00000-000-231308 9099	(1,033,933.45)
AJE14	12/31/2016	Bond Interest Expense	9099-41300-101-581802 9099	1,033,933.45
		To record accretion of interest on 2006B capital appreciation bonds.		
AJE15	12/31/2016	Unamortized Bond Premium	9099-00000-000-231209 9099	25,180.78
AJE15	12/31/2016	Unamortized Gain on Refunding	9099-00000-000-231210 9099	(543,440.01)
AJE15	12/31/2016	2006B GO Bond PW Payable	9099-00000-000-231308 9099	20,640,384.97
AJE15	12/31/2016	GO Bond Series 2016A	9099-00000-000-231325 9099	(20,300,000.00)
AJE15	12/31/2016	Loan Proceeds	9099-41300-101-493805 9099	20,300,000.00
AJE15	12/31/2016	Payment To Escrow Agent	9099-41300-101-591896 9099	(19,997,125.74)
AJE15	12/31/2016	Bond Principal Payment	9099-41300-178-581801 9099	(125,000.00)
		To record refunding issuance of 2016A Bonds, refunding 2006B capital appreciation bonds.		
AJE16	12/31/2016	Unamortized Loss On Refunding	9099-00000-000-231208 9099	(24,140.38)
AJE16	12/31/2016	Amortization	9099-41300-101-580898 9099	24,140.38
		To amortize loss for 2015A refunding bonds.		
AJE17	12/31/2016	Def Outflow of Resources IMRF	5040-00000-000-181108 5040	(428,361.00)
AJE17	12/31/2016	IMRF Net Pension Obligation	5040-00000-000-203296 5040	371,526.00
AJE17	12/31/2016	Deferred Inflow IMRF	5040-00000-000-204206 5040	21,740.00
AJE17	12/31/2016	Retained Earnings	5040-00000-000-353392 5040	35,095.00
AJE17	12/31/2016	Def Outflow of Resources IMRF	5055-00000-000-181108 5055	(106,858.00)
AJE17	12/31/2016	IMRF Net Pension Obligation	5055-00000-000-203296 5055	236,172.00
AJE17	12/31/2016	Deferred Inflow IMRF	5055-00000-000-204206 5055	5,423.00
AJE17	12/31/2016	Retained Earnings	5055-00000-000-353392 5055	(134,737.00)
AJE17	12/31/2016	Def Outflow of Resources IMRF	5060-00000-000-181108 5060	(354,667.00)
AJE17	12/31/2016	IMRF Net Pension Obligation	5060-00000-000-203296 5060	402,695.00
AJE17	12/31/2016	Deferred Inflow IMRF	5060-00000-000-204206 5060	18,000.00
AJE17	12/31/2016	Retained Earnings	5060-00000-000-353392 5060	(66,028.00)
AJE17	12/31/2016	Def Outflow Resources SLEP	9099-00000-000-181107 9099	(7,108.00)
AJE17	12/31/2016	Def Outflow of Resources IMRF	9099-00000-000-181108 9099	(4,872,718.00)
AJE17	12/31/2016	IMRF Net Pension Liab - Ec Dev	9099-00000-000-204201 9099	964,754.00
AJE17	12/31/2016	IMRF Liab - Gen Govt	9099-00000-000-204202 9099	1,769,575.00
AJE17	12/31/2016	IMRF Liab - Health	9099-00000-000-204203 9099	241,402.00
AJE17	12/31/2016	IMRF Liab - Public Safety	9099-00000-000-204204 9099	822,277.00
AJE17	12/31/2016	IMRF Liab - Pub Works	9099-00000-000-204205 9099	1,739,481.00
AJE17	12/31/2016	Deferred Inflow IMRF	9099-00000-000-204206 9099	247,302.00

Number	Date	Name	Account No	Amount
AJE17	12/31/2016	Fund Balance	9099-00000-000-353390 9099	(948,638.00)
AJE17	12/31/2016	Fund Balance	9099-00000-000-353390 9099	43,673.00
		To remove IMRF 12/31/15 balances.		
AJE18	12/31/2016	Def Outflow of Resources IMRF	5040-00000-000-181108 5040	312,428.00
AJE18	12/31/2016	IMRF Net Pension Obligation	5040-00000-000-203296 5040	(153,014.00)
AJE18	12/31/2016	Deferred Inflow IMRF	5040-00000-000-204206 5040	(16,567.00)
AJE18	12/31/2016	Retained Earnings	5040-00000-000-353392 5040	(142,847.00)
AJE18	12/31/2016	Def Outflow of Resources IMRF	5055-00000-000-181108 5055	22,905.00
AJE18	12/31/2016	IMRF Net Pension Liability	5055-00000-000-203294 5055	(38,171.00)
AJE18	12/31/2016	Deferred Inflow IMRF	5055-00000-000-204206 5055	(4,133.00)
AJE18	12/31/2016	Retained Earnings	5055-00000-000-353392 5055	19,399.00
AJE18	12/31/2016	Def Outflow of Resources IMRF	5060-00000-000-181108 5060	76,023.00
AJE18	12/31/2016	IMRF Net Pension Obligation	5060-00000-000-203296 5060	(126,690.00)
AJE18	12/31/2016	Deferred Inflow IMRF	5060-00000-000-204206 5060	(13,717.00)
AJE18	12/31/2016	Retained Earnings	5060-00000-000-353392 5060	64,384.00
AJE18	12/31/2016	Def Outflow of Resources IMRF	9099-00000-000-181108 9099	3,791,621.00
AJE18	12/31/2016	IMRF Net Pension Liability	9099-00000-000-203294 9099	(1,740,567.00)
AJE18	12/31/2016	Deferred Inflow IMRF	9099-00000-000-204206 9099	(188,453.00)
AJE18	12/31/2016	Fund Balance	9099-00000-000-353390 9099	(1,862,601.00)
		To restate IMRF for 12/31/14 balances.		
AJE19	12/31/2016	Def Outflow of Resources IMRF	5040-00000-000-181108 5040	235,328.00
AJE19	12/31/2016	IMRF Net Pension Obligation	5040-00000-000-203296 5040	(333,357.00)
AJE19	12/31/2016	Deferred Inflow IMRF	5040-00000-000-204206 5040	(5,173.00)
AJE19	12/31/2016	Change in IMRF NPL	5040-43730-101-520528 5040	103,202.00
AJE19	12/31/2016	Def Outflow of Resources IMRF	5055-00000-000-181108 5055	113,737.00
AJE19	12/31/2016	IMRF Net Pension Liability	5055-00000-000-203294 5055	(83,158.00)
AJE19	12/31/2016	Deferred Inflow IMRF	5055-00000-000-204206 5055	(1,290.00)
AJE19	12/31/2016	Change in IMRF NPL	5055-43760-101-520528 5055	(29,289.00)
AJE19	12/31/2016	Def Outflow of Resources IMRF	5060-00000-000-181108 5060	377,498.00
AJE19	12/31/2016	IMRF Net Pension Obligation	5060-00000-000-203296 5060	(276,007.00)
AJE19	12/31/2016	Deferred Inflow IMRF	5060-00000-000-204206 5060	(4,283.00)
AJE19	12/31/2016	Change in IMRF NPL	5060-43770-101-520528 5060	(97,208.00)
AJE19	12/31/2016	Def Outflow Resources SLEP	9099-00000-000-181107 9099	7,108.00
AJE19	12/31/2016	Def Outflow of Resources IMRF	9099-00000-000-181108 9099	2,439,220.00
AJE19	12/31/2016	IMRF Net Pension Liability	9099-00000-000-203294 9099	(3,792,005.00)
AJE19	12/31/2016	IMRF NPL - SLEP	9099-00000-000-203295 9099	(4,913.00)
AJE19	12/31/2016	Deferred Inflow IMRF	9099-00000-000-204206 9099	(58,849.00)
AJE19	12/31/2016	Change in IMRF NPL - General Government	9099-41300-990-520529 9099	246,154.00
AJE19	12/31/2016	Change in IMRF NPL - Public Safety	9099-41300-991-520529 9099	449,307.00
AJE19	12/31/2016	Change in IMRF NPL - Health	9099-41300-993-520529 9099	208,548.00
AJE19	12/31/2016	Change in IMRF NPL - Economic Development	9099-41300-994-520529 9099	443,837.00
AJE19	12/31/2016	Change in IMRF NPL - Public Works	9099-41300-995-520529 9099	61,593.00
		To recognize 12/31/15 IMRF activity, including deferred outflows for contributions made between 1/1/15 to 12/31/16.		

Number	Date	Name	Account No	Amount
AJE20	12/31/2016	Deferred Outflows - Police	9099-00000-000-181105 9099	(25,875,573.00)
AJE20	12/31/2016	Deferred Outflows - Police	9099-00000-000-181105 9099	22,427,264.00
AJE20	12/31/2016	Deferred Outflows - Fire	9099-00000-000-181106 9099	(25,183,375.00)
AJE20	12/31/2016	Deferred Outflows - Fire	9099-00000-000-181106 9099	17,588,883.00
AJE20	12/31/2016	Deferred Inflows - Police	9099-00000-000-204207 9099	(3,748,239.00)
AJE20	12/31/2016	Fund Balance	9099-00000-000-353390 9099	7,196,548.00
AJE20	12/31/2016	Fund Balance	9099-00000-000-353390 9099	7,594,492.00
		To adjust 9099 for actual deferred outflows reported in prior year (from actuarial valuation adjustment).		
AJE21	12/31/2016	Net Pension Liability - Police	9099-00000-000-181101 9099	(6,868,907.00)
AJE21	12/31/2016	Net Pension Liability - Firefighters	9099-00000-000-181102 9099	(4,553,604.00)
AJE21	12/31/2016	Deferred Outflows - Police	9099-00000-000-181105 9099	(829,027.00)
AJE21	12/31/2016	Deferred Outflows - Fire	9099-00000-000-181106 9099	(4,145,655.00)
AJE21	12/31/2016	Deferred Inflows - Police	9099-00000-000-204207 9099	166,814.00
AJE21	12/31/2016	Change in Police and Fire NPL - Public Safety	9099-41300-991-520530 9099	16,230,379.00
		To recognize actuarial valuation for Police Pension Plan.		
AJE22	12/31/2016	Claims Payable	6028-00000-000-204299 6028	566,756.28
AJE22	12/31/2016	Fund Balance	6028-00000-000-353390 6028	257,889.14
AJE22	12/31/2016	Health Insurance Premiums	6028-41080-101-520683 6028	(824,645.42)
		To record a PPA for the Claims Payable's beginning balance and also adjust the year-ending balance.		
AJE23	12/31/2016	Unavailable Revenue - Library	4025-00000-000-228290 4025	(149,306.99)
AJE23	12/31/2016	Intergovt Support Op Library	4025-41300-101-490479 4025	149,306.99
		To adjust unavailable revenue to agree with amortization schedule, tab 7 of debt workpaper.		

VILLAGE OF OAK PARK, ILLINOIS

MANAGEMENT LETTER

December 31, 2016

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's 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 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 have identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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 Village'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.

The Village's written response to the material weaknesses and other comments identified in our audit has not been subjected to the audit procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it. In addition, we reviewed the status of the deficiencies dated December, 31, 2015. The status of these is included in Appendix A.

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 LLP

Naperville, Illinois
June 13, 2017

MATERIAL WEAKNESS

Management review of Enterprise Revenue

During our testing of utility billing revenue it was noted that there were material errors noted with the creation and posting of journal entries. Based on our understanding of the journal entry process, it is apparent that there is not appropriate review of utility billing entries and the related reconciliations. Furthermore, the Village could not provide a billed receivables report by service (water, sewer, refuse) as of December 31, 2016 and based on the reports that the Village provided, its water overpayment account's balance was significantly overstated that led to an adjusting journal entry proposed by us and agreed to by the Village. Lastly, the Village could not provide credit card statements or support that agreed to the monthly credit card amounts reflected on its Parking Revenue Summary, which tied-out to the general ledger. It is recommended that the Village's procedures and process include a method of reconciling amounts collected to the general ledger on a monthly basis.

Management Response

The Village concurs that there were variances between certain detailed accounts receivable (A/R) aging reports and the beginning A/R balances reflected in the general ledger. It is believed that such variances may possibly be the result of the transition from PeopleSoft to BS&A and additional investigation needs to be conducted on this matter.

Monthly parking credit card statements are received and available from the Village's merchant processor. Due to the way credit card transactions are processed and deposited into the Village's account in batches rather than by individual customer transactions, it is not possible to easily identify on the surface or confirm that a single transaction or even batch of transactions is part of a larger deposit. However, at a larger level, the Village did reconcile all bank accounts to the auditors' satisfaction, thereby providing assurance that all credit card transactions were both credited to the Village's general ledger and the appropriate bank accounts.

SIGNIFICANT DEFICIENCY

Collateral of Cash

During cash testing, Sikich noted the Village was not monitoring collateral held by third parties. At year end, there was $144,698 of uncollateralized cash. We recommend that the Village closely monitor how deposits are collateralized and ensure that all deposits over $250,000 (FDIC insured amount) are collateralized by securities held by a third party custodian in the name of the Village.

Management Response

The Village concurs with this comment. For this particular account used to deposit parking meter coins, collateralizing the account is not available through the bank. Therefore, transfers out of the account into a collateralized Village account at a different bank are periodically made so that the balance is always below $250,000. Bank notification has subsequently been set up so that the Village is informed whenever the account balance comes close to exceeding the $250,000 FDIC threshold and a transfer out is then processed.

OTHER MATTERS

Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that will impact the Village in the future.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments and replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The statement builds upon the existing framework for financial reports of defined benefit OPEB plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 74 enhances note disclosures and RSI for both defined benefit and defined contribution OPEB plans. Statement No. 74 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions in Statement No. 74 are effective for OPEB plan or sponsoring employer financial statements for the fiscal year ending December 31, 2017.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as they relate to governments that provide benefits through OPEB plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 75 requires governments providing defined benefit OPEB to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions in Statement No.75 are effective for the fiscal year ending December 31, 2018.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this statement are effective for the fiscal year ending December 31, 2017.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, provides recognition and measurement guidance for situations in which a government is a beneficiary of a split-interest agreement. The requirements of this statement are effective for the fiscal year ending December 31, 2017.

GASB Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73*, addresses issues regarding (1) the presentation of payroll-related measures in the required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for the fiscal year ending December 31, 2017.

OTHER MATTERS (Continued)

Future Accounting Pronouncements (Continued)

GASB Statement No. 83, *Certain Asset Retirement Obligations [ARO's]*, enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. The Statement will also enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The requirements of this statement are effective for the fiscal year ending December 31, 2019.

GASB Statement No. 84, *Fiduciary Activities*, will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. The requirements of this statement are effective for the fiscal year ending December 31, 2019.

GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this statement are effective for the fiscal year ending December 31, 2018.

We will advise the Village of any progress made by GASB in developing this and other future pronouncements that may have an impact on the financial position and changes in financial position of the Village.

APPENDIX A
STATUS OF PRIOR YEAR COMMENTS

MATERIAL WEAKNESSES

1. Fixed Asset Tracking

During fixed asset testing, it was noted that duplicate payments were incorrectly added to the fixed asset schedule, repairs and maintenance projects were improperly capitalized and prior year additions were improperly included as additions in the current year. Sikich recommends the Village review fixed asset schedules and reconcile them to expenditure accounts and current listings of vehicles and other assets. Additionally the finance department should work closely with other departments to ensure understanding, accuracy and completeness of capital asset activity. This will help identify any errors in the fixed asset schedules.

Management Response

Management concurs that some adjustments were required to the fixed asset schedule although it should be noted that there may be instances where a certain degree of subjectivity is required regarding the capitalization of some costs pertaining to infrastructure maintenance versus improvements.

Status - This comment was implemented for the current year.

2. Unrecorded Liabilities

While performing our audit procedures, we noted invoices improperly excluded and improperly included in accounts payable. During the year end closing process, finance personnel should review invoices at the balance sheet date and subsequent payments after that date to ensure the completeness and accuracy of accounts payable at the balance sheet date. This will ensure that all material expenses and the related liabilities are recorded properly in the Village's financial statements as of the balance-sheet date.

Management Response

Management concurs that there have been some instances regarding year-end invoices where they were either improperly included or excluded from December 31, 2015 account payable. Due to some inherent restrictions with PeopleSoft, the recordation of accounts payable is largely a manual process and staff makes every effort to determine the accuracy of posting all year-end transactions in the appropriate year.

Status - This comment was implemented for the current year.

SIGNIFICANT DEFICIENCY

1. Grant Trial Balance Maintenance

During our preliminary and final fieldwork testing, we noted that many of the grant funds, including the Community Development Block Grant Fund, reflect net income or losses. Because the Village only allocates grant expenditures in the amount of the expected reimbursements from the grants, no profit or loss should be reflected in these funds at year end. Instead, the grant revenue and related receivable or deferral, or grant expenditures and related payables should be adjusted to reflect only what will be ultimately eligible for grant reimbursements. We recommend that finance department staff work closely with those individuals responsible for grant administration at least quarterly, but especially during the year end closing process, to ensure accuracy in the recording of grant revenues and expenditures. Because many of the grants are funded by the federal government and therefore reflected in the single audit report, additional scrutiny must be applied to the accounting of these grants.

Management Response

Management concurs that there were several grants which required adjustments in order to zero out any profit or loss shown by individual grant account or program. It is the intent of management to improve the process of its grant accounting for subsequent audits.

Status - This comment was implemented for the current year.

Sikich Snapshot

Organization

Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services, has more than 750 employees throughout the country. Founded in 1982, Sikich now ranks as one of the country's Top 30 Certified Public Accounting firms and is among the top 10 of all enterprise resource planning solution partners in the country. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.**

Industries

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

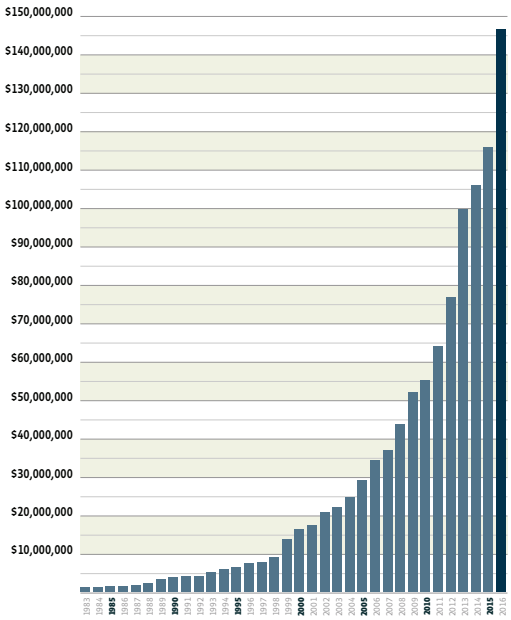
- Agriculture
- Construction & Real Estate
- Energy
- Government
- Manufacturing & Distribution
- Not-for-Profit

Statistics

2016 Revenues	$146.4M
Total Partners	107
Total Employees	689
Total Personnel	796

Personnel count as of January 19, 2017

Sikich Total Revenues



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- Human Resources Consulting
- Insurance Services
- Investment Banking & Corporate Finance
- IT Services
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- Retirement Planning
- Supply Chain
- Wealth Management

Awards

- Vault Accounting Top Ranked 2017
- *Accounting Today* Top 100 Firms: ranked 27th nationally, 2017
- *Accounting Today* Regional Leaders – Top Firms: Great Lakes: ranked 4th, 2016
- *Milwaukee Business Journal* Largest Management Consulting Firms: ranked 10th, 2016
- *Milwaukee Business Journal* Largest Milwaukee-Area Accounting Firms: ranked 11th, 2016
- *INSIDE Public Accounting* Top 50 Largest Accounting Firms: ranked 31st nationally, 2016
- When Work Works Award, 2016
- *WorldatWork* Work-Life 2016 Seal of Distinction
- Best Places to Work in Illinois, 2016
- Best Places to Work in Indiana, 2016
- Chicago's 101 Best and Brightest Companies to Work For®, 2016
- Milwaukee's 101 Best and Brightest Companies to Work For®, 2016
- WICPA Excellence Award - Public Service Award (Firm), 2016
- *Accounting Today* Top 100 Value Added Reseller: ranked 7th, 2016
- Bob Scott's Top 100 Value Added Reseller: ranked 9th, 2016
- US SMB Champions Club Heartland Partner of the Year, Microsoft's US Small and Mid-sized Business (SMB) Champions Club, 2016
- 2016 US SMB Champions Club Heartland Influencer Partner of the Year, Microsoft's US Small and Mid-sized Business (SMB) Champions Club, 2016
- *Inc. 5000:* ranked #4613, 2016
- *Crain's* List Chicago's Largest Privately Held Companies: ranked #249, 2016
- Bob Scott's Top 100 Value Added Reseller: ranked 7th, 2016
- National Best & Brightest Companies to Work For®, 2015
- Chicago's 101 Best and Brightest Companies to Work For®, 2015
- National Best & Brightest in Wellness, 2015
- *Chicago Tribune's* Top Workplaces, 2015
- Edge Award - 2015 Community Service
- Microsoft Dynamics Inner Circle and President's Club, 2014

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Sikich Snapshot

Certifications

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2014, Sikich LLP received its 9th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

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Microsoft Partner

Microsoft

Microsoft Partner

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- MCP (Microsoft Certified Professional)
- MCSE (Microsoft Certified System Engineer)
- CCNA (Cisco Certified Network Associate)
- CCDA (Certified Cisco Design Associate)
- CCEA (Citrix Certified Enterprise Administrator)
- MRMS (Microsoft Retail Management Systems)
- CISA (Certified Information Systems Auditor)
- CNE (Certified Novell Engineer)
- MS CSM (Microsoft Customer Service Manager)
- MS CAE (Microsoft Certified Account Executive)
- MCDBA (Microsoft Certified Database Admin.)
- Certified for Microsoft Dynamics (NAV)

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**International Accounting Bulletin, 2011*

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