



VILLAGE OF INDIAN HEAD PARK, ILLINOIS

AUDITOR'S COMMUNICATION TO THE
BOARD OF TRUSTEES AND MANAGEMENT

For the Year Ended April 30, 2018



SIKICH.COM

VILLAGE OF INDIAN HEAD PARK, ILLINOIS
AUDITOR'S COMMUNICATION TO THE BOARD OF TRUSTEES
AND MANAGEMENT
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1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

August 16, 2018

The Honorable President
Members of the Board of Trustees
Village of Indian Head Park
201 Acacia Drive
Indian Head Park, Illinois 60525

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 May 1, 2018.

In addition, auditing standards require the communication of internal control related matters to management. Our communication of those matters is enclosed within this document.

This information is intended solely for the use of the President, Members of the Board of Trustees and management of the Village of Indian Head 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: Brian D. LeFevre, CPA, MBA
Partner

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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August 16, 2018

Members of the Board of Trustees
Village of Indian Head Park
Indian Head Park, Illinois

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Village of Indian Head Park for the year ended April 30, 2018. Professional standards require that we provide you with the following information related about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 5, 2018. Professional standards also require that we communicate to you the following information related to our audit.

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 of Indian Head Park 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 fiscal year ending April 30, 2018. We noted no transactions entered into by the Village of Indian Head Park during the year for which there is a lack of authoritative guidance or consensus.

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. We noted no particularly sensitive estimates made by management during our audit of the basic financial statements except for the actuarial assumptions used by the actuary in determining the total pension liability.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive disclosures affecting the financial statements. The financial statement disclosures are neutral, consistent, and clear.

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. Management has corrected all such misstatements. In addition, the majority of the misstatements detected as a result of audit procedures as shown on the attached schedule and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or audit 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 August 16, 2018.

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

We applied certain limited procedures to the required supplementary information (RSI), including the Management's Discussion and Analysis, as listed in the table of contents that supplements the basic financial statements. 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 the combining and individual fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with 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 basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the financial statements themselves.

We were not engaged to report on the supplemental data, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Trustees, management of the Village of Indian Head 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: Brian D. LeFevre, CPA, MBA

Partner

Village of Indian Head Park

Year End: April 30, 2018

Adjusting Journal Entries

Date: 5/1/2017 To 4/30/2018

Number	Date	Name	Account No	Debit	Credit
AJE 01	4/30/2018	Change in Comp Abs-GG	99-00-5002-000 G-99	3,188.07	
AJE 01	4/30/2018	Change in Comp Abs-PS	99-00-5003-000 G-99		-7,180.80
AJE 01	4/30/2018	Change in Comp Abs-PW	99-00-5004-000 G-99		-211.29
AJE 01	4/30/2018	Change in OPEB Asset/Liability	99-00-5008-000 G-99	12,902.00	
AJE 01	4/30/2018	Fund Balance	99-00-9000-000 G-99		-8,697.98
To adjust fund balance in the long-term debt fund. ONE-TIME ENTRY					
AJE 02	4/30/2018	Deferred Inflows of Resources-IM	99-00-2800-000 G-99		-141,026.00
AJE 02	4/30/2018	Fund Balance	99-00-9000-000 G-99	141,026.00	
To adjust to prior year balance. ONE-TIME ENTRY					
AJE 03	4/30/2018	Fund Balance	98-00-1200-000 G-98		-29,890.00
AJE 03	4/30/2018	Purchase of Capital Assests-Publ	98-00-1400-200 G-98	29,890.00	
To adjust to prior year balances. (DO NOT POST)					
AJE 04	4/30/2018	Due From MFT Fund (NEW)	01-00-1360-000 GF-01	23,050.94	
AJE 04	4/30/2018	Transfer from Motor Fuel Tax Fnd	01-00-5706-000 GF-01		-23,050.94
AJE 04	4/30/2018	Due to General (NEW)	10-00-2200-000 MFT-10		-23,050.94
AJE 04	4/30/2018	Transfer from General Fund	10-00-5700-000 MFT-10	23,050.94	
To record due to the General Fund. ONE-TIME ENTRY					
AJE 05	4/30/2018	State Allotment	10-00-4415-000 MFT-10		-14,000.00
AJE 05	4/30/2018	Tr. to Gen-Snow Rem Equip Rentl	10-95-6252-130 MFT-10	4,000.00	
AJE 05	4/30/2018	Tr. to Gen-Snow Rem Equip Rentl	10-95-6252-130 MFT-10		-900.00
AJE 05	4/30/2018	Parkway Maintenance Labor	10-95-6252-139 MFT-10	900.00	
AJE 05	4/30/2018	Tr. to Gen-Pkwy Maint Equip Rent	10-95-6252-140 MFT-10	10,000.00	
To correct allocation of costs to MFT. ONE-TIME ENTRY					

Number	Date	Name	Account No	Debit	Credit
AJE 06	4/30/2018	Debt Certificates	99-00-2500-200 G-99	127,000.00	
AJE 06	4/30/2018	Bonds Payable	99-00-2500-400 G-99	145,000.00	
AJE 06	4/30/2018	Bond Principal Paid	99-00-5001-000 G-99		-145,000.00
AJE 06	4/30/2018	Debt Certificate Principal Retirement	99-00-5005-000 G-99		-127,000.00
<p>To adjust long-term debt balances. See 4202. RECURRING ENTRY BASED ON BOND PRINCIPAL PAID DURING FISCAL YEAR IN DEBT SERVICE FUND.</p>					
AJE 07	4/30/2018	Vehicles/Other Equipment	01-31-6438-000 GF-01		-27,274.45
AJE 07	4/30/2018	Capital Lease - Principal	01-92-6301-200 GF-01	24,422.13	
AJE 07	4/30/2018	Capital Lease - Interest	01-92-6301-201 GF-01	2,852.32	
<p>To correctly record capital lease principal and interest payment. ONE-TIME ENTRY</p>					
AJE 08	4/30/2018	Accrued Interest Payable	99-00-2600-000 G-99	5,194.79	
AJE 08	4/30/2018	Interest Expense	99-00-5007-000 G-99		-5,194.79
<p>To record accrued interest. ENTRY TO RECORD ACCRUAL OF INTEREST EXPENSE FOR CONVERSION.</p>					
AJE 09	4/30/2018	Capital Leases Payable	99-00-2500-300 G-99	24,422.13	
AJE 09	4/30/2018	Capital Lease Payments	99-00-5006-000 G-99		-24,422.13
<p>To adjust capital lease for government-wide conversion. RECURRING ENTRY TO RECORD CHANGE IN CAPITAL LEASE FOR CONVERSION.</p>					
AJE 10	4/30/2018	Deferred Rev - Other Taxes	01-00-2203-000 GF-01		-31,154.87
AJE 10	4/30/2018	Telecommunication	01-00-4209-000 GF-01	7,154.87	
AJE 10	4/30/2018	State Sales Tax	01-00-4405-000 GF-01	16,000.00	
AJE 10	4/30/2018	State Local Use Tax	01-00-4406-000 GF-01	8,000.00	
<p>Defer CY Revenue. RECURRING ENTRY TO DEFER REVENUE NOT RECEIVED DURING AVAILABILITY PERIOD.</p>					
AJE 11	4/30/2018	Receivable-Illinois Sales Tax	01-00-1206-000 GF-01	3,983.28	
AJE 11	4/30/2018	Electricity Taxes	01-00-4202-000 GF-01		-7,272.33
AJE 11	4/30/2018	Natural Gas Taxes	01-00-4205-000 GF-01		-3,983.28
AJE 11	4/30/2018	State Gaming Tax	01-00-4402-000 GF-01	7,272.33	
<p>Make adjustments to State Revenues to reverse incorrect entries from Argelia's AJE03. ONE-TIME ENTRY.</p>					
AJE 12	4/30/2018	Receivable-Non Home Rule	01-00-1203-000 GF-01	1,167.00	
AJE 12	4/30/2018	Receivable-Illinois Sales Tax	01-00-1206-000 GF-01		-1,252.84
AJE 12	4/30/2018	Receivable - State Local Use Tax	01-00-1207-000 GF-01	2,293.96	
AJE 12	4/30/2018	Receivable-Utility Tax	01-00-1208-000 GF-01		
AJE 12	4/30/2018	Receivable - Telecom Excise Tax	01-00-1209-000 GF-01	1,680.61	
AJE 12	4/30/2018	Electricity Taxes	01-00-4202-000 GF-01	718.04	
AJE 12	4/30/2018	Natural Gas Taxes	01-00-4205-000 GF-01		-718.04
AJE 12	4/30/2018	Telecommunication	01-00-4209-000 GF-01		-1,680.61

Number	Date	Name	Account No	Debit	Credit
AJE 12	4/30/2018	State Sales Tax	01-00-4405-000 GF-01	1,252.84	
AJE 12	4/30/2018	State Local Use Tax	01-00-4406-000 GF-01		-2,293.96
AJE 12	4/30/2018	Non Home Rule Tax	01-00-4408-000 GF-01		-1,167.00

To adjust State Rev. Recievable at 04/30 and account for actual vs. estimate. ONE-TIME ENTRY

AJE 13	4/30/2018	Vehicles	98-00-1022-600 G-98		-20,588.00
AJE 13	4/30/2018	Accu Dep - Vehicles	98-00-1023-600 G-98	20,588.00	

To record the disposal of vehicle.
ONE-TIME ENTRY.

AJE 14	4/30/2018	Accrued Salaries	01-00-2007-000 GF-01	6,510.59	
AJE 14	4/30/2018	Regular Salaries	01-21-6102-000 GF-01		-1,234.32
AJE 14	4/30/2018	Regular Salaries	01-31-6102-000 GF-01		-727.58
AJE 14	4/30/2018	Regular Salaries	01-41-6102-000 GF-01		-4,548.69
AJE 14	4/30/2018	Accrued Salaries	02-00-2007-000 WS-02	811.86	
AJE 14	4/30/2018	Regular Salaries	02-85-6102-000 WS-02		-541.24
AJE 14	4/30/2018	Regular Salaries	02-90-6102-000 WS-02		-270.62

To reverse AJE 03 for accrued payroll adjustment in prior year that was improperly reversed in current year.
ONE-TIME ENTRY.

AJE 15	4/30/2018	Vehicles	98-00-1022-600 G-98	29,890.00	
AJE 15	4/30/2018	Accu Dep - Land Improvements	98-00-1023-200 G-98		-14,484.00
AJE 15	4/30/2018	Accu Dep - Buildings & Improveme	98-00-1023-300 G-98		-42,936.00
AJE 15	4/30/2018	Accu Dep - Equipment	98-00-1023-400 G-98		-4,528.00
AJE 15	4/30/2018	Accu Dep - Infrastructure	98-00-1023-500 G-98		-132,600.00
AJE 15	4/30/2018	Accu Dep - Vehicles	98-00-1023-600 G-98		-30,171.00
AJE 15	4/30/2018	Purchase of Capital Assests-Publ	98-00-1400-200 G-98		-29,890.00
AJE 15	4/30/2018	Depreciation - General Government	98-00-1500-100 G-98	22,979.00	
AJE 15	4/30/2018	Depreciation - Public Safety	98-00-1500-200 G-98	29,498.00	
AJE 15	4/30/2018	Depreciation - Public Works	98-00-1500-300 G-98	162,248.00	
AJE 15	4/30/2018	Depreciation - Culture and Recreation	98-00-1500-400 G-98	8,994.00	
AJE 15	4/30/2018	Depreciation - Health and Human Services	98-00-1500-500 G-98	1,000.00	

To book CY governmental capital asset activity.
RECURRING ENTRY WITH CHANGING VALUES TO RECORD
CAPITAL ASSET ACTIVITY FOR CONVERSION.

AJE 16	4/30/2018	Other Receivable	01-00-1215-000 GF-01		-9,839.40
AJE 16	4/30/2018	Other Receivable	01-00-1215-000 GF-01		-6,480.48
AJE 16	4/30/2018	Other Receivable	01-00-1215-000 GF-01		-24,451.98
AJE 16	4/30/2018	CATV Franchise	01-00-4305-000 GF-01	9,839.40	
AJE 16	4/30/2018	Court & Traffic Fines	01-00-4602-000 GF-01	6,480.48	
AJE 16	4/30/2018	Misc. Contributions	01-00-5118-000 GF-01	24,451.98	

Adjust Other Recievables Balance for the current year.
RECURRING ENTRY TO RECORD CHANGES IN RECEIVABLES
ACCOUNTS FOR ACTIVITY DURING THE FISCAL YEAR.

Number	Date	Name	Account No	Debit	Credit
AJE 17	4/30/2018	Accumulated Depreciation-Sewer	02-00-1850-100 WS-02		-17,518.72
AJE 17	4/30/2018	Accumulated Depreciation-Water	02-00-1850-200 WS-02		-49,204.51
AJE 17	4/30/2018	Depreciation	02-92-6733-000 WS-02	66,723.23	
<p>To record CY water and sewer capital asset activity. RECURRING ENTRY TO ADJUST CAPITAL ASSETS IN WATER/SEWER FUND.</p>					
AJE 18	4/30/2018	Accounts Payable-Water	02-00-2002-200 WS-02	34,344.84	
AJE 18	4/30/2018	Water Cost-Countryside	02-85-6352-000 WS-02		-34,344.84
<p>Reverse AJE 05 where Countryside water bill was booked twice. ONE-TIME ENTRY.</p>					
AJE 19	4/30/2018	SBoC Revenue Account	01-00-1010-000 GF-01		-5,939.67
AJE 19	4/30/2018	Corporate Purpose	01-00-4103-000 GF-01	34,615.69	
AJE 19	4/30/2018	Streets & Bridges	01-00-4107-000 GF-01		-28,827.17
AJE 19	4/30/2018	IMRF	01-00-4109-000 GF-01		-37.27
AJE 19	4/30/2018	Liability Insurance	01-00-4111-000 GF-01		-112.58
AJE 19	4/30/2018	Audit	01-00-4113-000 GF-01	371.77	
AJE 19	4/30/2018	FICA	01-00-4115-000 GF-01		-70.77
AJE 19	4/30/2018	SBoC Revenue Account	40-00-1010-000 BDS-40	5,939.67	
AJE 19	4/30/2018	Real Estate Taxes	40-00-4102-000 BDS-40		-5,939.67
<p>Re-Class Road & Bridge Portion of Property Tax Revenues. ONE-TIME ENTRY.</p>					
AJE 20	4/30/2018	A/R Billed Water	02-00-1224-000 WS-02	302,934.47	
AJE 20	4/30/2018	A/R Billed Sewer	02-00-1226-000 WS-02	44,523.17	
AJE 20	4/30/2018	Water Usage	02-00-4716-000 WS-02		-302,934.47
AJE 20	4/30/2018	Sewer Charges	02-00-4722-000 WS-02		-44,523.17
<p>To correct A/R and Revenue for Water/Sewer UB. RECURRING ENTRY TO ADJUST ACCOUNTS BASED ON QUARTERLY REPORTS AND TO RECOGNIZE A/R PER A/R AGING REPORT.</p>					
AJE 21	4/30/2018	Deferred Outflows - IMRF	02-00-1601-000 WS-02		-35,971.50
AJE 21	4/30/2018	Net Pension Liability	02-00-2047-100 WS-02	60,163.09	
AJE 21	4/30/2018	Deffered Inflows-IMRF	02-00-2050-000 WS-02		-84,018.13
AJE 21	4/30/2018	Pension	02-85-6107-000 WS-02	38,295.79	
AJE 21	4/30/2018	Pension	02-90-6107-000 WS-02	21,530.75	
AJE 21	4/30/2018	Deferred OF of Resource-IMRF	99-00-2400-000 G-99		-268,515.44
AJE 21	4/30/2018	Net Pension Liability-IMRF	99-00-2700-000 G-99	582,340.68	
AJE 21	4/30/2018	Deferred Inflows of Resources-IM	99-00-2800-000 G-99		-286,875.00
AJE 21	4/30/2018	Pension Expense - GG	99-00-5000-000 G-99		-6,254.83
AJE 21	4/30/2018	Pension Expense - Police	99-00-5500-000 G-99		-18,752.44
AJE 21	4/30/2018	Pension Expense - PW	99-00-5600-000 G-99		-1,942.97
<p>To adjust IMRF pension expense for 12/31/17 measurement date. RECURRING ENTRY TO RECOGNIZE IMRF NET PENSION LIABILITY AND PENSION EXPENSE FOR CONVERSION AND IN WATER/SEWER FUND.</p>					

Number	Date	Name	Account No	Debit	Credit
AJE 22	4/30/2018	Prepaid Insurance	01-00-1250-000 GF-01		-31,946.48
AJE 22	4/30/2018	Prepaid Insurance	01-00-1250-000 GF-01		-88,513.00
AJE 22	4/30/2018	Prepaid Insurance	01-00-1250-000 GF-01	43,579.14	
AJE 22	4/30/2018	Insurance Allocation	01-21-6253-000 GF-01	3,538.00	
AJE 22	4/30/2018	Liability Insurance Allocation	01-31-6274-000 GF-01	7,725.00	
AJE 22	4/30/2018	Liability Insurance Allocation	01-31-6274-000 GF-01		-3,704.22
AJE 22	4/30/2018	Liability Insurance Allocation	01-41-6253-000 GF-01		-25,750.00
AJE 22	4/30/2018	Liability Insurance Allocation	01-41-6274-000 GF-01	25,750.00	
AJE 22	4/30/2018	Liability Insurance Allocation	01-41-6274-000 GF-01		-12,420.06
AJE 22	4/30/2018	Liability Insurance Allocation	01-41-6274-000 GF-01	25,750.00	
AJE 22	4/30/2018	Insurance Premium	01-92-6275-000 GF-01	31,946.48	
AJE 22	4/30/2018	Insurance Premium	01-92-6275-000 GF-01	51,500.00	
AJE 22	4/30/2018	Insurance Premium	01-92-6275-000 GF-01		-27,454.86
AJE 22	4/30/2018	Prepaid Insurance	02-00-1250-000 WS-02		-10,716.86
AJE 22	4/30/2018	Prepaid Insurance	02-00-1250-000 WS-02		-12,875.00
AJE 22	4/30/2018	Prepaid Insurance	02-00-1250-000 WS-02	6,225.60	
AJE 22	4/30/2018	Miscellaneous Income	02-00-5105-000 WS-02		-6,622.37
AJE 22	4/30/2018	Misc. Expense	02-85-6247-000 WS-02	6,622.37	
AJE 22	4/30/2018	Insurance Allocation	02-85-6253-000 WS-02	10,716.86	
AJE 22	4/30/2018	Insurance Allocation	02-85-6253-000 WS-02	10,300.00	
AJE 22	4/30/2018	Insurance Allocation	02-85-6253-000 WS-02		-4,980.48
AJE 22	4/30/2018	Insurance Allocation	02-90-6253-000 WS-02	2,575.00	
AJE 22	4/30/2018	Insurance Allocation	02-90-6253-000 WS-02		-1,245.12

To Reverse all entries made to IRMA Prepaid/expense accounts.

All Adjustments taken from AJE03, AJE05, AJE01, and F21.

ONE-TIME ENTRY

AJE 23	4/30/2018	Insurance Deposit-IRMA	01-00-1216-000 GF-01	16,469.18	
AJE 23	4/30/2018	Prepaid Insurance	01-00-1250-000 GF-01		-43,936.35
AJE 23	4/30/2018	Prepaid Insurance	01-00-1250-000 GF-01	59,791.14	
AJE 23	4/30/2018	Deferred Rev-IRMA	01-00-2202-000 GF-01		-16,469.18
AJE 23	4/30/2018	Insurance Premium	01-92-6275-000 GF-01	43,936.35	
AJE 23	4/30/2018	Insurance Premium	01-92-6275-000 GF-01		-59,791.14
AJE 23	4/30/2018	Prepaid Insurance	02-00-1250-000 WS-02		-6,276.63
AJE 23	4/30/2018	Prepaid Insurance	02-00-1250-000 WS-02	8,541.60	
AJE 23	4/30/2018	Insurance Deposits	02-00-1251-000 WS-02		-1,651.36
AJE 23	4/30/2018	Miscellaneous Income	02-00-5105-000 WS-02	1,651.36	
AJE 23	4/30/2018	Insurance Allocation	02-85-6253-000 WS-02	6,276.63	
AJE 23	4/30/2018	Insurance Allocation	02-85-6253-000 WS-02		-8,541.60

Adjust Prepaid Insurance to Reverse PY Activity and Book

Current Year Activity. RECURRING ENTRY TO REVERSE

PREPAID INSURANCE FROM PRIOR YEAR AND RECOGNIZE

PREPAID INSURANCE IN CURRENT YEAR.

Number	Date	Name	Account No	Debit	Credit
AJE 24	4/30/2018	Insurance Deposit-IPBC	01-00-1216-100 GF-01	24,766.00	
AJE 24	4/30/2018	IPBC Revenue	01-00-5130-000 GF-01		-24,766.00
AJE 24	4/30/2018	Insurance Deposits-IPBC	02-00-1251-100 WS-02	10,627.00	
AJE 24	4/30/2018	IPBC Revenue	02-00-5130-000 WS-02		-10,627.00
Adjust IPBC Terminal Reserve. RECURRING ENTRY TO RECOGNIZE CHANGE IN IPBC RESERVE BASED ON IPBC CORRESPONDENCE.					
AJE 25	4/30/2018	Accrued Comp. Absenses	01-00-2007-010 GF-01	31,409.08	
AJE 25	4/30/2018	Regular Salaries	01-21-6102-000 GF-01		-15,977.68
AJE 25	4/30/2018	Regular Salaries	01-31-6102-000 GF-01		-4,674.35
AJE 25	4/30/2018	Regular Salaries	01-41-6102-000 GF-01		-10,757.05
Reverse Compensated Absenses posting to general fund. ONE-TIME ENTRY.					
AJE 26	4/30/2018	Compensated Absences	99-00-2500-100 G-99	6,993.97	
AJE 26	4/30/2018	Chnage in Compensated Absences (GG -Income Stm't)	99-00-5002-100 G-99	10,199.05	
AJE 26	4/30/2018	Change in Compensated Absences (PS- Income Stm't)	99-00-5003-100 G-99		-18,317.04
AJE 26	4/30/2018	Change in Compensated Absences (PW-Income Stm't)	99-00-5004-100 G-99	1,124.02	
To add new change in comp abs accounts and make adjustment to comp abs liability by function. RECURRING ENTRY TO MAKE CHANGES TO COMPENSATED ABSENCES LIABILITY ACCOUNTS.					
AJE 27	4/30/2018	Property Taxes Receivable	01-00-1202-000 GF-01	461,272.80	
AJE 27	4/30/2018	Deferred Rev-Property Tax	01-00-2201-000 GF-01		-456,422.74
AJE 27	4/30/2018	Corporate Purpose	01-00-4103-000 GF-01		-2,750.42
AJE 27	4/30/2018	Police Protection	01-00-4105-000 GF-01		-449.75
AJE 27	4/30/2018	IMRF	01-00-4109-000 GF-01		-559.74
AJE 27	4/30/2018	Liability Insurance	01-00-4111-000 GF-01		-592.13
AJE 27	4/30/2018	Audit	01-00-4113-000 GF-01		-55.00
AJE 27	4/30/2018	FICA	01-00-4115-000 GF-01		-443.03
AJE 27	4/30/2018	Property Taxes Receivable	16-00-1202-000 SP-16	12,439.52	
AJE 27	4/30/2018	Deferred Revenue-Property Taxes	16-00-2201-000 SP-16		-12,309.36
AJE 27	4/30/2018	Real Estate Taxes	16-00-4102-000 SP-16		-130.16
AJE 27	4/30/2018	Property Taxes Receivable	40-00-1202-000 BDS-40	107,537.55	
AJE 27	4/30/2018	Deferred Revenue-Property Tax	40-00-2201-000 BDS-40		-106,407.07
AJE 27	4/30/2018	Real Estate Taxes	40-00-4102-000 BDS-40		-1,130.47
Deferred Property Tax Revenue. RECURRING ENTRY TO RECORD DEFERRED PROPERTY TAX REVENUE FOR LEVY INTENDED TO FINANCE FOLLOWING FISCAL YEAR.					
AJE 28	4/30/2018	Property Taxes Receivable	01-00-1202-000 GF-01		-497,254.85
AJE 28	4/30/2018	Deferred Rev-Property Tax	01-00-2201-000 GF-01	490,752.34	
AJE 28	4/30/2018	Corporate Purpose	01-00-4103-000 GF-01	3,523.54	
AJE 28	4/30/2018	Police Protection	01-00-4105-000 GF-01	639.10	
AJE 28	4/30/2018	IMRF	01-00-4109-000 GF-01	811.20	
AJE 28	4/30/2018	Liability Insurance	01-00-4111-000 GF-01	802.31	
AJE 28	4/30/2018	Audit	01-00-4113-000 GF-01	87.26	

Number	Date	Name	Account No	Debit	Credit
AJE 28	4/30/2018	FICA	01-00-4115-000 GF-01	639.10	
AJE 28	4/30/2018	Property Taxes Receivable	16-00-1202-000 SP-16		-12,151.36
AJE 28	4/30/2018	Deferred Revenue-Property Taxes	16-00-2201-000 SP-16	11,984.11	
AJE 28	4/30/2018	Real Estate Taxes	16-00-4102-000 SP-16	167.25	
AJE 28	4/30/2018	Property Taxes Receivable	40-00-1202-000 BDS-40		-106,635.58
AJE 28	4/30/2018	Deferred Revenue-Property Tax	40-00-2201-000 BDS-40	105,187.70	
AJE 28	4/30/2018	Real Estate Taxes	40-00-4102-000 BDS-40	1,447.88	
Reverse AJE08 (Argelia's).					
AJE 29	4/30/2018	SBoC A/P Operating Account	01-00-1012-000 GF-01	27,257.80	
AJE 29	4/30/2018	Transfer from Water/Sewer Fund	01-00-5711-000 GF-01		-13,628.90
AJE 29	4/30/2018	Transfer from Water/Sewer Fund	01-00-5711-000 GF-01		-13,628.90
AJE 29	4/30/2018	SBoC A/P Operating Account	02-00-1012-000 WS-02		-13,628.90
AJE 29	4/30/2018	SBoC A/P Operating Account	02-00-1012-000 WS-02	13,628.90	
AJE 29	4/30/2018	Vehicles/Other Equipment	02-85-6438-000 WS-02		-13,628.90
AJE 29	4/30/2018	Transfer to General Fund	02-90-6400-000 WS-02	13,628.90	
AJE 29	4/30/2018	Transfer to General Fund	02-90-6400-000 WS-02	13,628.90	
AJE 29	4/30/2018	Vehicles/Other Equipment	02-90-6438-000 WS-02		-13,628.90
To record payment of capital lease appropriately between the GF and EF. ONE-TIME ENTRY.					
AJE 30	4/30/2018	Net OPEB Asset	99-00-1900-000 G-99	14,967.00	
AJE 30	4/30/2018	Change in OPEB Asset/Liability	99-00-5008-000 G-99		-14,967.00
To record OPEB asset as of April 30, 2018. RECURRING ENTRY TO RECORD CHANGES IN NET OPEB ASSET. WILL CHANGE WITH GASB-S75 IMPLEMENTATION NEXT YEAR.					
AJE 31	4/30/2018	SBoC Revenue Account	01-00-1010-000 GF-01	43,721.00	
AJE 31	4/30/2018	Due from Special Park Fund	01-00-1320-000 GF-01		-43,721.00
AJE 31	4/30/2018	SBoC Revenue Account	16-00-1010-000 SP-16		-43,721.00
AJE 31	4/30/2018	Due to Corporate Fund	16-00-2100-500 SP-16	43,721.00	
To recognize repayment of short-term loan between Corporate Fund and Special Park Fund. ONE-TIME ENTRY.					

VILLAGE OF INDIAN HEAD PARK, ILLINOIS

**COMMUNICATION OF DEFICIENCIES
IN INTERNAL CONTROL AND
OTHER COMMENTS TO MANAGEMENT**

April 30, 2018

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

COMMUNICATION OF DEFICIENCIES IN INTERNAL CONTROL AND OTHER COMMENTS TO MANAGEMENT

Mr. John DuRocher, Village Administrator
Ms. Argelia Garbacz, Finance Manager
Village of Indian Head Park, Illinois

As part of the annual audit, we are required to communicate internal control matters that we classify as significant deficiencies and material weaknesses to those charged with governance. 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 a 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.

During our audit, we also identify certain matters which we communicate only to management. While many of these matters are operational in nature, they may include internal control deficiencies that do not meet the definition of a significant deficiency or material weakness. We have chosen to communicate these matters in this communication.

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

SiKich LLP

Naperville, Illinois
August 16, 2018

DEFICIENCIES

1. Segregation of Duties

Once of the most important aspects of a system of internal controls is the segregation of duties, asset custody, and transaction authorization and recording. Due to the limited number of staff employed by the Village, we recognize that it is not cost beneficial to segregate these duties. The Board has implemented a rigorous disbursement approval process which can compensate for the lack of segregation of duties. For example, the Board approves all bills and only Board members are authorized signers with two signatures being needed to draw down amounts from the Village's accounts. We recommend that the Board continue its involvement in the billing and disbursement process on an ongoing basis.

2. Multiple Equity Accounts

During our analysis of beginning equity accounts, it was noted that the Village maintains several equity accounts for each fund. We recommend that these accounts be consolidated into one equity account for each fund.

3. Journal Entry Testing

During our journal entry testing, we noted the journal entry support did not specify who posted the entries or if a second individual had approved the entry. We recommend the Village develops a manual journal entry policy for the approval process and the approvals are documented.

4. Credit Card Testing

During our testing of credit card transactions, we noted a purchase made which included a payment of sales tax. The Village's policy is to consistently utilize its tax exempt status, so as not to pay sales taxes on its purchases.

5. Year End Financial Reporting and Accruals

It was noted that many adjustments to the trial balance were necessary. It is recommended that the Village adopt and implement a process for year end processing and accruals.

6. Capital Asset Policy

Sikich noted that there is no capital asset policy for the Village. We recommend the Village adopt a capital asset policy.

OTHER COMMENTS

1. Future Accounting Pronouncements

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

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 fiscal years beginning after April 30, 2019.

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 standard are effective for the fiscal year ending April 30, 2018 and 2019.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this standard are effective for the fiscal year ending April 30, 2020.

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this standard are effective for the fiscal year ending April 30, 2020.

OTHER COMMENTS (Continued)

1. Future Accounting Pronouncements (Continued)

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 will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements. This statement is effective for the fiscal year ending April 30, 2019.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. The statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement is effective for the fiscal year ending April 30, 2019.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset and aims to enhance comparability of financial statements among governments. This statement also requires additional notes to the financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The requirements of this statement are effective for the fiscal year ending April 30, 2021.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, was issued in March 2018 and provides guidance on improving disclosures in the notes to the financial statements related to debt, including direct borrowings and direct placements of debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This statement is effective for fiscal years ending April 30, 2020.

We will advise the District 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 District.

APPENDIX A
STATUS OF COMMENTS FROM APRIL 30, 2017

1. Segregation of Duties

Once of the most important aspects of a system of internal controls is the segregation of duties, asset custody, and transaction authorization and recording. Due to the limited number of staff employed by the Village, we recognize that it is not cost beneficial to segregate these duties. The Board has implemented a rigorous disbursement approval process which can compensate for the lack of segregation of duties. For example, the Board approves all bills and only Board members are authorized signers with two signatures being needed to draw down amounts from the Village's accounts. We recommend that the Board continue its involvement in the billing and disbursement process on an ongoing basis.

Status: Comment still applicable as of April 30, 2018. See current year comment.

2. Multiple Equity Accounts

During our analysis of beginning equity accounts, it was noted that the Village maintains several equity accounts for each fund. We recommend that these accounts be consolidated into one equity account for each fund.

Status: Comment still applicable as of April 30, 2018. See current year comment.

3. Journal Entry Testing

During our journal entry testing, we noted the journal entry support did not specify who posted the entries or if a second individual had approved the entry. We recommend the Village develops a manual journal entry policy for the approval process and the approvals are documented.

Status: Comment still applicable as of April 30, 2018. See current year comment.

4. Petty Cash Management and Reporting

During our count of petty cash, we noted that one of the cash drawers was greater than what was recorded on the general ledger. A journal entry was recommended that management accepted to adjust the petty cash on the general ledger. It is recommended that the Village develop procedures to track petty cash and suggest the specific balances that are expected to be found in the petty cash accounts.

Status: Comment implemented as of April 30, 2018.

5. Year End Financial Reporting and Accruals

It was noted that due to the turnover experienced by the Village, many adjustments to the trial balance were necessary. It is recommended that the Village adopt and implement a process for year end processing and accruals that may be followed.

Status: Comment still applicable as of April 30, 2018. See current year comment.

6. Capital Asset Policy

Sikich noted that there is no capital asset policy for the Village. We recommend the Village adopt a capital asset policy.

Status: Comment still applicable as of April 30, 2018. See current year comment.

7. Utility Billing

Sikich noted that it is the Village's policy before a utility bill preview is created, the meter list with corrections is approved by the Village Manager. Sikich recommends the Village Manager signs off on the meter lists as there was no indication on the reports viewed during our internal control walkthrough of the utility billing process.

Status: Comment still applicable as of April 30, 2018. See current year comment.

8. Building Permits

Sikich noted that the invoicing and tracking of building permits is done manually. Sikich recommends the Village integrates the tracking of permits with Locis and track them within the system.

Status: Comment implemented as of April 30, 2018.

FIRM PROFILE



ORGANIZATION

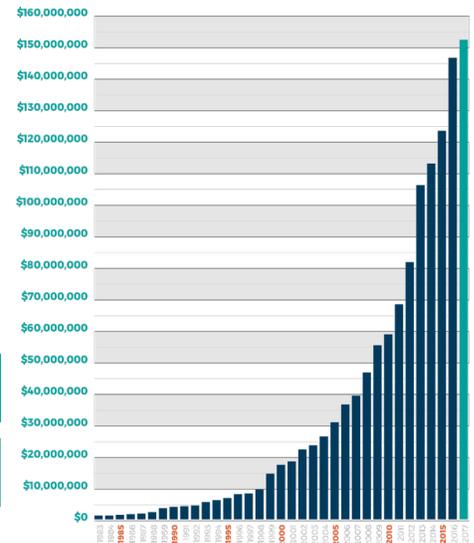
Sikich LLP, a leading professional services firm specializing in accounting, technology, investment banking* and advisory services**, has 750+ professionals throughout the country. Founded in 1982, Sikich now ranks as one of the country's Top 30 Certified Public Accounting firms and is among the top 1% of all enterprise resource planning solution partners in the world. 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	ENERGY	MANUFACTURING & DISTRIBUTION
CONSTRUCTION & REAL ESTATE	GOVERNMENT	NOT-FOR-PROFIT

SIKICH TOTAL REVENUES



STATISTICS

2017 Revenues \$151.9M
 Total Partners ~100
 Total Personnel 750+
Personnel count as of January 1, 2018

2018 AWARDS

- Oracle® NetSuite **5 Star Award**
- *Accounting Today* Top 100 Firms - ranked #28 nationally
- Best Places to Work in Illinois
- Best Places to Work in Indiana
- Milwaukee's Best and Brightest Companies to Work For®
- Chicago's Best and Brightest Companies to Work For®
- Microsoft Dynamics Inner Circle
- Boston's Best and Brightest Companies to Work For®
- Bob Scott's Top 100 Value Added Reseller Stars (VARs) - ranked #8

SERVICES

ACCOUNTING, TAX & ASSURANCE

TECHNOLOGY

- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Security and Compliance

ADVISORY

- Business Succession Planning
- Insurance Services
- Forensic and Valuation Services
- Human Resources Consulting
- Investment Banking
- Marketing & Design
- Public Relations
- Retirement Plan Services
- Supply Chain
- Wealth Management

* Securities offered through Sikich Corporate Finance LLC, member FINRA/SIPC.

** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor. Securities offered through Triad Advisors, member FINRA and SIPC. Triad Advisors and Sikich Financial are not affiliated.

2017 AWARDS

- Bob Scott's Top 100 (VARs) - ranked #7
- *Accounting Today* Top 100 VARs - ranked #6
- Vault Accounting Top Ranked
- When Work Works Award
- WorldatWork Work-Life Seal of Distinction
- Microsoft Dynamics Inner Circle and President's Club
- Best Places to Work in Illinois
- Milwaukee's 101 Best and Brightest Companies to Work For®
- Best Places to Work in Indiana
- Chicago's 101 Best and Brightest Companies to Work For®
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee
- *Chicago Tribune's* Top Workplaces
- *Crain's List* Chicago's Largest Privately Held Companies - ranked #234
- Boston's 101 Best and Brightest Companies to Work For®
- National Best and Brightest in Wellness
- National Best and Brightest Companies to Work For

2016 AWARDS

- *Accounting Today* Top Regional Leaders and Firms: Great Lakes - ranked #4
- *Milwaukee Business Journal* Largest Management Consulting Firms - ranked #10
- *Milwaukee Business Journal* Largest Milwaukee-Area Accounting Firms - ranked #8
- *Inc. 5000* - ranked #4613
- *INSIDE Public Accounting* Top 50 Largest Accounting Firms - ranked #31 nationally
- Milwaukee's 101 Best and Brightest Companies to Work For®
- WICPA Excellence Award - Public Service Award
- *Accounting Today* Top 100 VARs - ranked #7
- Bob Scott's Top 100 VARs - ranked #7
- Boston's 101 Best and Brightest Companies to Work For®
- US Small and Mid-Sized Business (SMB) Champions Club Heartland Partner of the Year, Microsoft's US SMB Champions Club
- *Milwaukee Journal Sentinel* Top Workplaces in Milwaukee

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 2017 Sikich LLP received its 10th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.

MICROSOFT PARTNER

Sikich has earned a Microsoft ERP Gold competency; ranked among the top one percent of all Microsoft Dynamics partners worldwide; and carries the following certifications:

Gold

Microsoft Partner



- **Microsoft Small Business Specialist**
- **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)**

SIKICH IS PROUD TO BE PART OF:

THE LEADING EDGE ALLIANCE

The Leading Edge Alliance (LEA) is the second largest international association of independent accounting firms.* The LEA is an international professional association of independently-owned accounting and consulting firms. Members are top quality firms who share an entrepreneurial spirit and a drive to be the premier provider of professional services in their chosen markets. The Alliance provides Sikich with an unbeatable combination: the comprehensive size and scope of a large multinational company while offering their clients the continuity, consistency, and quality service of a local firm.

**International Accounting Bulletin, 2011*



PRIMEGLOBAL

PrimeGlobal is one of the top five largest associations of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing, and management services to clients around the globe.



LOCATIONS

Akron, OH
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Columbus, OH
(614) 633-5270

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(260) 485-0665

Los Angeles, CA
(310) 315-9660

Phoenix, AZ
(480) 626-0072

Atlanta, GA
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Dallas, TX
(496) 906-2257

Houston, TX
(832) 831-3549

Milwaukee, WI
(262) 754-9400

Rockford, IL
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Boston, MA
(508) 485-5588

Decatur, IL
(217) 423-6000

Indianapolis, IN
(317) 842-4466

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(763) 445-2632

Springfield, IL
(217) 793-3363

Chicago, IL
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Denver, CO
(720) 200-0142

Kansas City, MO
(816) 673-7534

Naperville, IL
(630) 566-8400

St. Louis, MO
(314) 275-7277