BKD
CPAs & Advisors

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Village Council and Management
Village of Downers Grove
Downers Grove, Illinois

As part of our audits of the financial statements and compliance of Village of Downers Grove (Village) as of and for the year ended December 31, 2019, we wish to communicate the following to you.

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in Government Auditing Standards Issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the opinion unit being audited. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Audits of the financial statements and compliance do not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The Village's significant accounting policies are described in Note 1 of the audited financial statements.

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Depreciation expense based on estimated useful lives for assets
- Insurance claims payable
- Net pension liabilities
- Net other postemployment benefit liability

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Long-term debt obligations of the Village, including future maturities
- Activity and liability for other post-employment benefits, pension benefits under Illinois Municipal Retirement Fund and the Village's Police and Firefighters' Pension Funds

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole.

Auditor's Judgments About the Quality of the Village's Accounting Principles

During the course of the audit, we made the following observations regarding the Village's application of accounting principles:

- No matters are reportable.

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (attached)
- We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

Future Accounting Pronouncements

GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83)

GASB 83 addresses accounting and financial reporting for certain asset retirement obligations (ARO). This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. This statement requires that recognition occurs when the liability is both incurred and reasonably estimable, and it also requires the measurement of an ARO be based on the best estimate of the current value of outlays expected to be incurred. This statement also requires disclosure about the nature of a government's AROs, the methods and assumptions used for the estimated of the liabilities, and the estimated remaining useful life of the associated tangible capital asset.

GASB 83 is effective for financial statements for fiscal years beginning after June 15, 2019.

Governmental Accounting Standards Board (GASB) Statement No. 84*, Fiduciary Activities* (GASB 84)

GASB 84 establishes criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of four types of funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds or custodial funds. Custodial funds are used to report fiduciary activities that are not held in a trust. The agency fund designation will no longer be used. GASB 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries.

GASB 84 is effective for financial statements for fiscal years beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 87, *Leases* (GASB 87)

In June 2017, GASB published Statement No. 87, *Leases*. The standard was the result of a multi-year project to reexamine the accounting and financial reporting for leases. The new standard establishes a single model for lease accounting based on the principle that leases represent the financing of the right to use an underlying asset. Specifically, GASB 87 includes the following accounting guidance for lessees and lessors:

Lessee Accounting – A lessee will recognize a liability measured at the present value of payments expected to be made for the lease term, and an intangible asset measured at the amount of the initial lease liability, plus any payments made to the lessor at or before the beginning of the lease and certain indirect costs. A lessee will reduce the liability as payments are made and recognize an outflow of resources for interest on the liability. The asset will be amortized by the lessee over the shorter of the lease term or the useful life of the asset.

Lessor Accounting – A lessor will recognize a receivable measured at the present value of the lease payments expected for the lease term and a deferred inflow of resources measured at the value of the lease receivable plus any payments received at or prior to the beginning of the lease that relate to future periods. The lessor will reduce the receivable as payments are received and recognize an inflow of resources from the deferred inflow of resources in a systematic and rational manner over the term of the lease. A lessor will not derecognize the asset underlying the lease. There is an exception for regulated leases for which certain criteria are met, such as airport-aeronautical agreements.

The lease term used to measure the asset or liability is based on the period in which the lessee has the noncancelable right to use the underlying asset. The lease term also contemplates any lease extension or termination option that is reasonably certain of being exercised.

GASB 87 does not apply to leases for intangible assets, biological assets (*i.e.*, timber and living plants and animals), service concession agreements or leases in which the underlying asset is financed with conduit debt that is reported by the lessor. Additionally, leases with a maximum possible term of 12 months or less are excluded.

The effective date is for periods beginning after June 15, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (GASB 89)

GASB 89 requires financial statements prepared using the economic resources measurement focus to recognize interest cost incurred before the end of a construction period as an expense in the period in which the cost is incurred. Such interest cost will not be capitalized as part of the historical cost of a capital asset.

It also requires that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period is to be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB 89 is effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91, *Conduit Debt Obligations* (GASB 91)

GASB 91 establishes consistent recognition, measurement and disclosure between governments for conduit debt obligations. The guidance clarifies the existing definition of a conduit debt obligation, establishes a single method of reporting for issuers and enhances note disclosures.

GASB 91 is effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020* (GASB 92)

GASB 92 addresses practice issues that have been identified during implementation and application of certain GASB Statements. The statement addresses a variety of topics including issues related to leases, intra-entity transfers, fiduciary activities and fair value disclosures.

GASB 92 is effective for reporting periods based on individual topics discussed therein. Earlier application is encouraged and is permitted by individual topic to the extent that all requirements associated with an individual topic are implemented simultaneously.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* (GASB 93)

GASB 93 addresses the accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

GASB 93 is effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94)

GASB 94 establishes the definitions of public private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). The statement also provides uniform guidance on accounting and financial reporting for transactions that meet those definitions.

GASB 94 is effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged.

GASB Statement No. 95, *Postponement of Effective dates of Certain Authoritative Guidance* (GASB 95)

In response to the challenges arising from COVID-19, on May 7, 2020, GASB approved Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB approved an 18-month postponement for Statement 87, *Leases*. All statements and implementation guides with a current effective date of reporting periods beginning after June 15, 2018 and later have a one-year postponement. This change is effective immediately. Early application is still encouraged. The effective dates on GASBs discussed above have already been adjusted to account for the postponements issued in GASB 95.

The new effective dates are listed below:

- Statement 83 – reporting periods beginning after June 15, 2019
- Statement 84 and Implementation Guide 2019-2 – reporting periods beginning after December 15, 2019
- Statement 87 and Implementation Guide 2019-3 – fiscal years beginning after June 15, 2021, and all reporting periods thereafter
- Statement 88 – reporting periods beginning after June 15, 2019
- Statement 89 – reporting periods beginning after December 15, 2020
- Statement 90 – reporting periods beginning after December 15, 2019
- Statement 91 – reporting periods beginning after December 15, 2021
- Statement 92, paragraphs 6 and 7 – fiscal years beginning after June 15, 2021
- Statement 92, paragraphs 8, 9, and 12 – reporting periods beginning after June 15, 2021
- Statement 92, paragraph 10 – government acquisitions occurring in reporting periods beginning after June 15, 2021
- Statement 93, paragraphs 13 and 14 – fiscal years beginning after June 15, 2021, and all reporting periods thereafter
- Implementation Guide 2017-3, Questions 4.484 and 4.491 – the first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019
- Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245 and 5.1–5.4 – actuarial valuations as of December 15, 2018, or later
- Implementation Guide 2018-1 – reporting periods beginning after June 15, 2019
- Implementation Guide 2019-1 – reporting periods beginning after June 15, 2020

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

BKD, LLP

Oakbrook Terrace, Illinois
May 29, 2020

Village of DOWNERS GROVE
FOUNDED IN 1832
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May 29, 2020

BKD, LLP
Certified Public Accountants
1901 S Meyers Road, Suite 500
Oakbrook Terrace, Illinois 60181

We are providing this letter in connection with your audits of our financial statements (the basic financial statements, the Downtown Redevelopment Tax Increment Financing Fund's financial statements, and the Ogden Avenue Corridor Tax Increment Financing Fund's financial statements) as of and for the years ended December 31, 2019 and your audit of our compliance with requirements applicable to each of our major federal awards programs as of and for the year ended December 31, 2019. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated_November 21, 2019 and the addendum letter of additional procedures dated April 3, 2019, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. We have provided you with:

   (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.

   (b) Additional information that you have requested from us for the purpose of the audit.

   (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

   (d) All minutes of meetings of the governing body held through the date of this letter.

   (e) All significant contracts and grants.

5. All transactions have been recorded in the accounting records and are reflected in the financial statements.

6. We have informed you of all current risks of a material amount that are not adequately prevented or detected by entity procedures with respect to:

   (a) Misappropriation of assets.

   (b) Misrepresented or misstated assets, liabilities or net position.

7. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

8. We have no knowledge of any known or suspected:

   (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.

   (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.

9. We have no knowledge of any allegations of fraud or suspected fraud affecting the Village received in communications from employees, customers, regulators, suppliers or others.

10. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

11. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, component units; and any other party with which the entity may deal if it can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with us.

12. Except as reflected in the financial statements, there are no:

    (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.

    (b) Material transactions omitted or improperly recorded in the financial statements.

    (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

    (d) Events occurring subsequent to the balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.

    (e) Agreements to purchase assets previously sold.

    (f) Restrictions on cash balances or compensating balance agreements.

    (g) Guarantees, whether written or oral, under which the Village is contingently liable.

13. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

14. We have no reason to believe the Village owes any penalties or payments under the Employer Shared Responsibility Provisions of the Patient Protection and Affordable Care Act nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.

15. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

16. Adequate provisions and allowances have been accrued for any material losses from:

    (a) Uncollectible receivables.

    (b) Reducing obsolete or excess inventories to estimated net realizable value.

    (c) Sales commitments, including those unable to be fulfilled.

    (d) Purchase commitments in excess of normal requirements or above prevailing market prices.

17. Except as disclosed in the financial statements, we have:

    (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.

    (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

18. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

19. With regard to deposit and investment activities:

    (a) All deposit, repurchase and reverse repurchase agreements and investment transactions have been made in accordance with legal and contractual requirements.

    (b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

    (c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

20. With respect to any nonattest services you have provided us during the year, including preparation of the TIF financial statements:

    (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.

    (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    (d) We have evaluated the adequacy of the services performed and any findings that resulted.

21. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.

22. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.

23. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

24. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.

25. We have a process to track the status of audit findings and recommendations.

26. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.

27. We have provided our views on any findings, conclusions and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit

of the financial statements performed in accordance with *Government Auditing Standards*.

28. With regard to federal awards programs:

(a) We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations or in any other form.

(b) We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget* (OMB) *Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.

(c) We are responsible for complying, and have complied, with the requirements of Uniform Guidance.

(d) We are responsible to understand and comply with the requirements of federal statutes, regulations and the terms and conditions of federal awards related to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the Village has complied with all applicable compliance requirements.

(e) We are responsible for establishing and maintaining effective internal control over compliance to provide reasonable assurance we have administered each of our federal awards programs in compliance with federal statutes, regulations and the terms and conditions of the federal awards.

(f) We have made available to you all federal awards (including amendments, if any) and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.

(g) The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.

(h) The costs charged to federal awards are in accordance with applicable cost principles.

(i) The reports provided to you related to federal awards programs are true copies of reports submitted or electronically transmitted to the federal awarding agency, the applicable payment system or pass-through entity in the case of a subrecipient.

(j) Amounts claimed or used for matching were determined in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) regarding cost principles.

(k) We have considered the results of any subrecipient's audits received and made any necessary adjustments to our books and records.

(l) We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.

(m) We have identified to you any previous compliance audits, attestation engagements and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other monitoring.

(n) Except as described in the schedule of findings and questioned costs, we are in agreement with the findings contained therein and our views regarding any disagreements with such findings are consistent, as of the date of this letter, with the description thereof in that schedule.

(o) We are responsible for taking corrective action on any audit findings and have developed a corrective action plan that meets the requirements of Uniform Guidance.

(p) The summary schedule of prior audit findings correctly states the status of all audit findings of the prior audit's schedule of findings and questioned costs and any uncorrected open findings included in the prior audit's summary schedule of prior audit findings as of the date of this letter.

(q) The reporting package does not contain any protected personally identifiable information.

29. With respect to your audit of the TIF funds, we are responsible to understand and comply with the provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing," and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we may have disclosed to you, we believe the Village has complied with all applicable compliance requirements.

30. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable

31. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.

32. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, budgetary comparisons, pension and other postemployment benefit information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

33. With regard to supplementary information:

(a) We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.

(b) We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.

(c) The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period

(d) We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

(e) If the supplementary information is not presented with the audited financial statements, we acknowledge we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.

34. We acknowledge the current economic volatility presents difficult circumstances and challenges for the governmental industry. Governmental entities are facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity and difficulty obtaining financing. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts and notes receivable, net realizable value of inventory, etc. that could negatively impact the Village's ability to meet debt covenants or maintain sufficient liquidity. We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the Village's financial statements. Further, management and the Board are solely responsible for all aspects of managing the Village, including questioning the quality and valuation of investments, inventory and other assets, reviewing allowances for uncollectible amounts and evaluating capital needs and liquidity plans.

David Feldman, Village Manager

Judy Buttny

Judy Buttny, Finance Director

Client: Village of Downers Grove

Period Ending: December 31, 2019

Governmental Activities (Government-Wide Statements)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets DR (CR)	Liabilities DR (CR)	General Revenues & Transfers DR (CR)	Net Program Revenues/ Expenses DR (CR)	Net Position DR (CR)	Net Effect on Following Year: *Change in Net Position* DR (CR)	Net Effect on Following Year: *Net Position* DR (CR)
To adjust for differences between actuary report and audit per IMRF related GASB 68 balances.		**Factual**	180,924	276,146	0	(71,717)	(385,353)	71,717	(71,717)
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
Total passed adjustments			180,924	276,146	0	(71,717)	(385,353)	71,717	(71,717)

Impact on Change in Net Position	**(71,717)**
Impact on Net Position	**(457,070)**

Client: Village of Downers Grove

Period Ending: December 31, 2019

Business-Type Activities (Government-Wide Statements)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets DR (CR)	Liabilities DR (CR)	General Revenues & Transfers DR (CR)	Net Program Revenues/ Expenses DR (CR)	Net Position DR (CR)	Net Effect on Following Year: *Change in Net Position* DR (CR)	Net Effect on Following Year: *Net Position* DR (CR)
To adjust for differences between actuary report and audit per IMRF related GASB 68 balances.		**Factual**	46,465	70,920	0	(18,419)	(98,966)	18,419	(18,419)
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
Total passed adjustments			46,465	70,920	0	(18,419)	(98,966)	18,419	(18,419)

Impact on Change in Net P	**(18,419)**
Impact on Net Position	**(117,385)**

Client: Village of Downers Grove

Period Ending: December 31, 2019

Library (Discretely Presented Component Unit)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets DR (CR)	Liabilities DR (CR)	General Revenues & Transfers DR (CR)	Net Program Revenues/ Expenses DR (CR)	Net Position DR (CR)	Net Effect on Following Year: *Change in Net Position* DR (CR)	Net Effect on Following Year: *Net Position* DR (CR)
To adjust for differences between actuary report and audit per IMRF related GASB 68 balances.		**Factual**	48,130	73,461	0	(19,079)	(102,512)	19,079	(19,079)
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
			0	0	0	0	0	0	0
Total passed adjustments			48,130	73,461	0	(19,079)	(102,512)	19,079	(19,079)

Impact on Change in Net Position	**(19,079)**
Impact on Net Position	**(121,591)**

Client: Village of Downers Grove
Period Ending: December 31, 2019

Parking

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred Outflows: *Current* DR (CR)	Assets & Deferred Outflows: *Non-Current* DR (CR)	Liabilities & Deferred Inflows: *Current* DR (CR)	Liabilities & Deferred Inflows: *Non-Current* DR (CR)	Operating Revenues DR (CR)	Operating Expenses DR (CR)	Nonoperating (Revenues) Exp DR (CR)	Net Position DR (CR)	Net Effect on Following Year: *Change in Net Position* DR (CR)	Net Effect on Following Year: *Net Position* DR (CR)
To adjust for differences between actuary report and audit per IMRF related GASB 68 balances		**Factual**	0	0	2,453	3,744	0	(972)	0	(5,225)	972	(972)
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
Total passed adjustments			0	0	2,453	3,744	0	(972)	0	(5,225)	972	(972)

Impact on Change in Net Position	**(972)**
Impact on Net Position	**(6,197)**

Client: Village of Downers Grove

Period Ending: December 31, 2019

Waterworks

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred Outflows		Liabilities & Deferred Inflows		Operating Revenues	Operating Expenses	Nonoperating (Revenues) Exp	Net Position	Net Effect on Following Year	
			Current	*Non-Current*	*Current*	*Non-Current*					*Change in Net Position*	*Net Position*
			DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)
To adjust for differences between actuary report and audit per IMRF related GASB 68 balances.		**Factual**	0	26,927	0	41,099	0	(10,674)	0	(57,352)	10,674	(10,674)
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
Total passed adjustments			0	26,927	0	41,099	0	(10,674)	0	(57,352)	10,674	(10,674)

Impact on Change in Net Position	**(10,674)**
Impact on Net Position	**(68,026)**

Client: Village of Downers Grove
Period Ending: December 31, 2019

Stormwater

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred Outflows – Current DR (CR)	Assets & Deferred Outflows – Non-Current DR (CR)	Liabilities & Deferred Inflows – Current DR (CR)	Liabilities & Deferred Inflows – Non-Current DR (CR)	Operating Revenues DR (CR)	Operating Expenses DR (CR)	Nonoperating (Revenues) Exp DR (CR)	Net Position DR (CR)	Net Effect on Following Year – Change in Net Position DR (CR)	Net Effect on Following Year – Net Position DR (CR)
To adjust for differences between actuary report and audit per IMRF related GASB 68 balances.		Factual	0	0	17,084	26,077	0	(6,772)	0	(36,389)	6,772	(6,772)
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
Total passed adjustments			0	0	17,084	26,077	0	(6,772)	0	(36,389)	6,772	(6,772)

Impact on Change in Net Position	**(6,772)**
Impact on Net Position	**(43,161)**