

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

As part of our audits of the financial statements and compliance of the Village of Downers Grove, Illinois (Village) as of and for the year ended December 31, 2016, we wish to communicate the following to you.

Audit Scope and Results

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 financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. 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.
- Other post-employment benefit obligation.

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 and 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. 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.

Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- See attached.

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, to the financial statements as a whole.

Auditor's Judgments About the Quality of the Entity'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 Written Communications

Listed below are other material written 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the Village of Downers Grove as of and for the year ended December 31, 2016, 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, we considered the Village's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency 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 of the Village's financial statements on a timely basis. A deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matter that we consider to be a deficiency.

Deficiency

Capital Assets

Management is responsible for the tracking and reporting of capital assets. During the course of the audit, we noted two passed adjustments related to capital asset balances. We recommend that management evaluate controls over capital asset management.

Management Response: The deficiency that is related to the sale of land at Main and Maple occurred when construction in the Central Business District was taking place in 2001, and costs were misclassified as Land rather than Infrastructure. At that time, which was prior to GASB 34, Infrastructure (which was classified as General Fixed Assets) was not depreciated. When GASB 34 took effect in 2003, the dollars relating to Infrastructure for this asset were not itemized and therefore not depreciated. This misclassification made in 2001 was not discovered until 2016 when the Main and Maple land was sold and an investigation was made into that asset to determine the basis.

The deficiency that is related to cash received for vacated property occurred because the Village's fixed asset records did not include PIN numbers that related to the vacated property.

The Finance Department is planning on reviewing all fixed asset records as staff resources become available.

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

Village Council and Management
Village of Downers Grove
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This communication is intended solely for the information and use of management, the Village Council and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Oakbrook Terrace, Illinois
June 9, 2017



www.downers.us

June 9, 2017

COMMUNITY RESPONSE

CENTER

BKD, LLP

Certified Public Accountants

630.434.CALL (2255)

1901 S Meyers Road Suite 500

Oakbrook Terrace, IL 60181

CIVIC CENTER

801 Burlington Avenue

Downers Grove

Illinois 60515-4782

630.434.5500

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We are providing this letter in connection with your audits of our financial statements (the basic financial statements, the Downtown Redevelopment Tax Increment Financing Funds' financial statements and the Ogden Avenue Corridor Tax Increment Financing Fund's financial statements) as of and for the year ended December 31, 2016 and your audit of our compliance with requirements applicable to our major federal awards program as of and for the year ended December 31, 2016. 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.

FIRE DEPARTMENT

ADMINISTRATION

5420 Main Street

Downers Grove

Illinois 60515-4834

630.434.5980

FAX 630.434.5998

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:

POLICE DEPARTMENT

825 Burlington Avenue

Downers Grove

Illinois 60515-4783

630.434.5600

FAX 630.434.5690

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letters dated November 23, 2016 and March 7, 2017, 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.

PUBLIC WORKS

DEPARTMENT

5101 Walnut Avenue

Downers Grove

Illinois 60515-4046

630.434.5460

FAX 630.434.5465

BKD

AWP0290-GV

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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 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

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

21. 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.

22. 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.

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

24. 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.

25. 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*.

26. 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 (or availability) 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) 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.
 - (k) 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.
 - (l) 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.
 - (m) The reporting package does not contain any protected personally identifiable information.
27. 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.
28. 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.

29. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, (budgetary comparisons, schedule of funding progress for other post-employment benefit plan and pension 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.
30. 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.



David Fieldman, Village Manager



Judy Buttny, Finance Director

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Governmental Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	200,885,517		200,885,517	
Total Liabilities & Deferred Inflows	(177,010,011)	911,018	(176,098,993)	-0.51%
Total Net Position	(23,875,506)	(911,018)	(24,786,524)	3.82%
General Revenues & Transfers	(50,936,185)	308,085	(50,628,100)	-0.60%
Net Program Revenues/ Expenses	50,846,440	(1,572,638)	49,273,802	-3.09%
Change in Net Position	(89,745)	(1,264,553)	(1,354,298)	1409.05%

Verify Debits and Credits have been entered correctly on the Menu-GA Tab

Client: Village of Downers Grove
Period Ending: December 31, 2016

Governmental Activities (Government-Wide Statements)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets		Liabilities		General Revenues & Transfers		Net Program Revenues/ Expenses		Net Position		Net Effect on Following Year			
			DR (CR)		DR (CR)		DR (CR)		DR (CR)		DR (CR)		Change in Net Position		Net Position	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
To adjust revenue for 2015 PEG revenues recorded in 2016		F		0		0		38,085		0		(38,085)		0		0
To adjust gain on land that was sold in 2016, but never capitalized.		F		0		0		270,000		0		(270,000)		0		0
To adjust for infrastructure that was capitalized as land but should have been reclassified to infrastructure and depreciated in prior years. Current year depreciation expense includes cumulative depreciation expense related to the asset.		F		0		0		0		(661,620)		661,620		0		0
PBC - To adjust net pension liability to match the audited financials of IMRF		J		0		1,085,062		0		(1,085,062)		0		0		0
To record additional workers comp claims.		P		0		(174,044)		0		174,044		0		0		0
				0		0		0		0		0		0		0
Total passed adjustments				0		911,018		308,085		(1,572,638)		353,535		0		0
											Impact on Change in Net Position		(1,264,553)			
											Impact on Net Position		(911,018)			

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

General Fund

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	34,629,891		34,629,891	
Total Liabilities & Deferred Inflows	(15,747,971)		(15,747,971)	
Total Fund Balance	(18,881,920)		(18,881,920)	
Revenues	(45,744,964)	38,085	(45,706,879)	-0.08%
Expenditures	45,700,363	51,404	45,751,767	0.11%
Change in Fund Balance	(44,601)	89,489	44,888	-200.64%

Client: Village of Downers Grove
Period Ending: December 31, 2016

General Fund

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred		Liabilities &		Revenues			Expenditures			Fund Balance		Net Effect on Following Year			
			Outflows		Deferred Inflows		Revenues		Expenditures		Fund Balance		Change in Fund Balance		Fund Balance			
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
To adjust revenue for 2015 PEG revenues recorded in 2016		F		0		0	38,085			0	(38,085)		0					
To record difference from payroll taxes not accrued in proper period.		F		0		0	0		51,404		(51,404)		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				<u>0</u>	<u>0</u>		<u>38,085</u>		<u>51,404</u>		<u>(89,489)</u>		<u>0</u>				<u>0</u>	
											Impact on Change in Fund Balance:		89,489					
											Impact on Fund Balance		0					

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	14,788,670	43,000	14,831,670	0.29%
Total Liabilities & Deferred Inflows	(3,310,704)	(80,886)	(3,391,590)	2.44%
Total Fund Balance	(11,477,966)	37,886	(11,440,080)	-0.33%
Revenues	(5,165,618)	(43,000)	(5,208,618)	0.83%
Expenditures	9,880,228	80,886	9,961,114	0.82%
Change in Fund Balance	4,714,610	37,886	4,752,496	0.80%

Client: Village of Downers Grove
 Period Ending: December 31, 2016

Aggregate Remaining Fund Information

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred		Liabilities &		Revenues			Expenditures			Fund Balance		Net Effect on Following Year				
			Outflows		Deferred Inflows										Change in Fund		Fund		
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	
To adjust capital assets to their true cost and recognize proceeds from disposal of assets in Fund 530. The Village recorded new assets at cost less trade in value.		Factual		43,000		0		(43,000)					0				0		0
PBC - To adjust net pension liability to match the audited financials of IMRF for Fund 531				0		58,347		0				(58,347)				0		0	0
PBC - To adjust net pension liability to match the audited financials of IMRF for Fund 562				0		11,440		0				(11,440)				0		0	0
PBC - To adjust net pension liability to match the audited financials of IMRF for Fund 563				0		9,643		0				(9,643)				0		0	0
PBC - To adjust net pension liability to match the audited financials of IMRF for Fund 471				0		13,728		0				(13,728)				0		0	0
To record additional workers comp accrual.		P		0		(174,044)		0				174,044				0		0	0
Total passed adjustments				43,000		(80,886)		(43,000)				80,886				0		0	0
														Impact on Change in Fund Balance:		37,886			
														Impact on Fund Balance		37,886			

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Discretely Presented Component Units (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets & Deferred Outflows	22,272,447		22,272,447	
Total Liabilities & Deferred Inflows	(8,013,447)	256,760	(7,756,687)	-3.20%
Total Net Position	(14,259,000)	(256,760)	(14,515,760)	1.80%
General Revenues & Transfers	(5,271,269)		(5,271,269)	
Net Program Revenues/ Expenses	5,583,530	(256,760)	5,326,770	-4.60%
Change in Net Position	312,261	(256,760)	55,501	-82.23%

Verify Debits and Credits have been entered correctly on the Menu-GA Tab

Client: Village of Downers Grove
 Period Ending: December 31, 2016

Governmental Activities (Government-Wide Statements)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets		Liabilities		General Revenues & Transfers		Net Program Revenues/ Expenses		Net Position		Net Effect on Following Year			
			DR (CR)		DR (CR)		DR (CR)		DR (CR)		DR (CR)		Change in Net Position		Net Position	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
PBC - To adjust net pension liability to match the audited financials of IMRF		J		0		256,760		0		(256,760)		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		256,760		0		(256,760)		0		0		0
											Impact on Change in Net Position		(256,760)			
											Impact on Net Position		(256,760)			

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Water

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	11,812,097		11,812,097	
Non-Current Assets & Deferred Outflows	45,090,995		45,090,995	
Current Liabilities	(2,278,657)		(2,278,657)	
Non-Current Liabilities & Deferred Inflows	(15,153,941)	121,107	(15,032,834)	-0.80%
Current Ratio	5.184		5.184	
Total Assets & Deferred Outflows	56,903,092		56,903,092	
Total Liabilities & Deferred Inflows	(17,432,598)	121,107	(17,311,491)	-0.69%
Total Net Position	(39,470,494)	(121,107)	(39,591,601)	0.31%
Operating Revenues	(15,286,003)		(15,286,003)	
Operating Expenses	13,954,006	(121,107)	13,832,899	-0.87%
Nonoperating (Revenues) Exp	351,443		351,443	
Change in Net Position	(980,554)	(121,107)	(1,101,661)	12.35%

Client: Village of Downers Grove
Period Ending: December 31, 2016

Water

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred Outflows				Liabilities & Deferred Inflows				Operating				Net Position		Net Effect on Following Year					
			Current		Non-Current		Current		Non-Current		Revenues		Expenses		(Revenues) Exp		Net Position		Change in Net		Net Position	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
PBC - To adjust net pension liability to match the audited financials of IMRF		J	0	0	0	121,107	0	(121,107)	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	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	0	0		
Total passed adjustments			0	0	0	121,107	0	(121,107)	0	0	0	0	0	0	0	0	0	0	0	0		
															Impact on Change in Net Position		(121,107)					
															Impact on Net Position		(121,107)					

Village of Downers Grove

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Stormwater

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	7,240,530		7,240,530	
Non-Current Assets & Deferred Outflows	23,334,565	(3,630)	23,330,935	-0.02%
Current Liabilities	(1,446,779)		(1,446,779)	
Non-Current Liabilities & Deferred Inflows	(16,919,862)	78,286	(16,841,576)	-0.46%
Current Ratio	5.005		5.005	
Total Assets & Deferred Outflows	30,575,095	(3,630)	30,571,465	-0.01%
Total Liabilities & Deferred Inflows	(18,366,641)	78,286	(18,288,355)	-0.43%
Total Net Position	(12,208,454)	(74,656)	(12,283,110)	0.61%
Operating Revenues	(3,825,248)		(3,825,248)	
Operating Expenses	3,360,790	(74,656)	3,286,134	-2.22%
Nonoperating (Revenues) Exp	565,073		565,073	
Change in Net Position	(431,769)	(74,656)	(506,425)	17.29%

Client: Village of Downers Grove
Period Ending: December 31, 2016

Stormwater

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred Outflows				Liabilities & Deferred Inflows				Operating				Net Effect on Following Year					
			Current		Non-Current		Current		Non-Current		Revenues		Expenses		(Revenues) Exp		Net Position		Change in Net	
			DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)
PBC - To adjust net pension liability to match the audited financials of IMRF		J	0	0	0	78,286	0	(78,286)	0	0	0	0	0	0	0	0	0	0	0	
To adjust bond premium for constant rate, rather than straight-line method.		F	0	(3,630)	0	0	0	3,630	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	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	(3,630)	0	78,286	0	(74,656)	0	0	0	0	0	0	0	0	0	0	0	
											Impact on Change in Net Position		(74,656)							
											Impact on Net Position		(74,656)							