

June 20, 2023

To the Board of Trustees  
Village of Bedford Park, Illinois  
6701 S. Archer Road  
Bedford Park, IL 60501

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Village of Bedford Park, Illinois (the "Village") for the year ended December 31, 2022 and have issued our report thereon dated June 16, 2023. Professional standards require that we provide you with the following information related to our audit:

### **Our Responsibility Under Auditing Standards Generally Accepted in the United States**

As stated in our engagement letter dated October 31, 2022, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope, timing, and with respect to significant risks identified by us, all of which were previously communicated to your representative, Marilyn Curnutte, in our meeting about such matters, in addition to our engagement letter dated October 31, 2022, accepted by David R. Brady.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements. As described in Note 1, the Village changed accounting policies related to accounting and disclosure of leases by adopting GASB 87, Leases, in 2022. Accordingly, the accounting change has not been retrospectively applied to prior periods presented.

We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of depreciation expense is based on estimated useful lives and straight-line methods.
- Management's estimate of pension related deferred outflows of resources and pension disclosures are based on actuarial assumptions and methods that are widely acceptable.
- Management's estimate of OPEB liability, related deferred inflows and outflows of resources, and OPEB disclosures are based on actuarial assumptions and methods that are widely acceptable.
- Management's estimate of allowance for doubtful accounts for tuition receivables are based on accounts receivable aging detail.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures for pension and OPEB plans.

#### *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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Village's financial reporting process.

#### *Disagreements With Management*

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

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 16, 2023, a copy of which accompanies this letter.

*Management Consultations With Other 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, in our judgment, a condition of our retention.

**Other Matters**

*Required Supplementary Information Accompanying Audited Financial Statements*

We applied certain limited procedures to the management’s discussion and analysis and the schedules in the required supplementary information section accompanying the financial statements, which are required supplementary information (RSI) 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.

*Supplementary Information Accompanying Audited Financial Statements*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

#### *Other Information in Documents Containing Audited Financial Statements*

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We have read the other information and have found no material inconsistencies with the information appearing in the audited financial statements.

#### **Internal Control Matters**

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bedford Park, Illinois (the "Village") as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Management Letter Comments**

Although not considered material weaknesses, significant deficiencies or deficiencies in internal control over financial reporting, we observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist.

However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

*Capital Assets in the Aggregate*

GASB Implementation Guide No. 2021-1 (issued in May 2021) included updated guidance on capitalizing assets in the aggregate. Under the new guidance, a government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset of those assets in the aggregate are significant. Computers and furniture are examples of asset types that may not meet a capitalization policy on an individual basis yet could be significant collectively. This guidance is effective for reporting periods beginning after June 15, 2023 but should be applied retroactively by restating financial statements. We recommend the Village update their capital asset policy and begin to capitalize assets in the aggregate to prevent a restatement in fiscal year 2024.

*Planning and Preparing for GASB Statement No. 96*

GASB Statement No. 96 requires governments to record both subscription assets and liabilities for subscription-based IT arrangements (SBITA). SBITAs are contracts that give the Village the right-to-use an underlying IT asset. We recommend the Village enroll in a webinar about GASB 96 to better understand the requirements and re-review their vendor contracts for software-related items and work with their software vendors to identify any questions or potential issues. The Village should designate a central location where all of the SBITAs can be maintained and create a summary spreadsheet that documents the length of the subscription term and subscription payment amount and frequency. This guidance is effective for reporting periods beginning after June 15, 2022 but should be applied retroactively by restating financial statements.

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

We appreciate the opportunity to be of service to Village of Bedford Park.

*Wipfli LLP*

Sincerely,

Sterling, Illinois  
June 20, 2023