

**CITY OF WOOD DALE, ILLINOIS**

**MANAGEMENT LETTER**

*April 30, 2017*





1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

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

The Honorable Mayor  
Members of the City Council  
City of Wood Dale, Illinois

Ladies and Gentlemen:

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 City of Wood Dale, Illinois (the City) as of and for the year ended April 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be 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.

In addition, we reviewed the status of the recommendations for the period ended April 30, 2016. The status of these recommendations is included in Appendix A.

This communication is intended solely for the information and use of the Mayor, the Council and management and others within the administration of the City and is not intended to be and should not be used by anyone other than these specified parties.

*Sikich LLP*

Naperville, Illinois  
October 31, 2017

**APPENDIX A**  
**STATUS OF COMMENTS FROM APRIL 30, 2016**

**MATERIAL WEAKNESSES**

We consider the following to be material weaknesses over internal controls

**1. Prior Period Adjustments**

During our audit of the City, we noted certain balances that were misstated as of April 30, 2015. Specifically, our testing of the balance sheet accounts of the General Fund identified a prior period adjustment that was necessary to correct cash balances in the General Fund.

We proposed a journal entry, which were reviewed, approved, and recorded by the City to correct these misstatements. We recommend that the City closely monitor its balance sheet accounts and recommend that the City periodically review the fund balance amounts recorded in the general ledger to ensure that balances agree to the most recent audited financial statements.

**Status** - Comment considered implemented as of April 30, 2017

**2. Year End Cutoff**

During our testing of certain balance sheet accounts, we noted that the City did not adjust or incorrectly adjusted certain amounts, specifically:

We recommend that the City review its year-end payable process and perform a detailed review of disbursements made after the fiscal year-end to capture all amounts that should be recorded as accounts payable.

Next, we noted other balance sheet accounts that were not updated as part of the year end close process, specifically, we identified adjustments related to: police pension fund accounts, prepaid items, compensated absences, accrued interest on long-term debt, grants, and accounts receivable. We recommend that the City review its' year-end close process to identify significant accruals required at year-end to ensure amounts are properly recorded.

We proposed several adjustments, all of which were reviewed, approved, and posted by the City.

**Status** - Comment considered implemented as of April 30, 2017