

Board of Trustees
DuPage Township, Illinois
Bolingbrook, Illinois

As part of our audit of the financial statements of DuPage Township (Township) as of and for the year ended March 31, 2015, 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

An audit performed in accordance with auditing standards generally accepted in the United States of America is designed to obtain reasonable, rather than absolute, assurance about the financial statements. 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 audit 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.

An audit of the financial statements does 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 Township's significant accounting policies are described in Note 1 of the audited financial statements. With respect to unusual accounting policies or accounting methods used by the Township for unusual transactions, we call your attention to the following topics:

- 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 estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- The Township's obligations related to the IMRF defined benefit pension plan are based on valuation reports prepared by actuaries. These valuations require significant assumptions such as investment return rates, salary increase rates and others which could all vary from the assumptions over time, thereby affecting the ultimate liability.
- Depreciation expense for capital assets is based on management's estimate of useful lives of classes of these assets when placed in service.

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:

- No matters are reportable.

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

- Property taxes receivable and the offsetting amount of deferred inflows of resources were adjusted based on the final levy extension amounts.
- Beginning fund balances were adjusted to agree to prior year audited ending fund balances. The Township's internal accounting system does not include balances forwarded from the prior fiscal year audited financial statements. These internal records are maintained on a current period cash basis.
- Capital assets and related depreciation amounts were adjusted based upon prior year audited balances, and current year capital asset additions and depreciation were also recorded by the auditors.
- Liquor inventory, gift card donations received, rental deposits and prepaid expense accounts were adjusted based on year-end reconciliations to supporting documents.

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 Township's application of accounting principles:

- No matters are reportable.

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable.

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- 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).

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of DuPage Township as of and for the year ended March 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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. However, as

discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

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 of the Township'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 Township'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 significant deficiency.

Significant Deficiency

Cash Account Reconciliation

Comments: In reviewing the cash transaction processes, we noted that the accountant reconciles the bank statement activity to the Township's records each month to ensure that all bank activity is authorized and accurate. In addition, all of the cash activity is agreed to the general ledger activity to ensure transactions are recorded properly. During the audit, we noted that the cash balances on the yearend trial balance did not agree to the balances per the yearend bank reconciliation by an immaterial amount that has been carried over from previous years.

Recommendation: In order to make the financial reports generated by the accounting system as meaningful as possible, a cash reconciliation that reconciles from the bank balance to the general ledger balance should be prepared on a monthly basis to determine that all cash transactions are properly recorded and any variances can be researched and resolved on a timely basis.

Management Response: This recommendation will be implemented in the upcoming year.

The Township's written response to the significant 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.

Board of Trustees
DuPage Township, Illinois
Page 5

This communication is intended solely for the information and use of management and the Board of Trustees of DuPage Township and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Oakbrook Terrace, Illinois
January 7, 2016

DuPage Township

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	3,184,967		3,184,967	
Total Liabilities & Deferred Inflows	(2,003,364)	(22,223)	(2,025,587)	1.11%
Total Fund Balance	(1,181,603)	22,223	(1,159,380)	-1.88%
Revenues	(2,135,274)		(2,135,274)	
Expenditures	2,090,902	1,287	2,092,189	0.06%
Change in Fund Balance	(44,372)	1,287	(43,085)	-2.90%

DuPage Township

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
Current Assets	123,179		123,179	
Non-Current Assets & Deferred Outflows				
Current Liabilities	(24,687)	2,727	(21,960)	-11.05%
Non-Current Liabilities & Deferred Inflows				
Current Ratio	4.990		5.609	12.40%
Total Assets & Deferred Outflows	123,179		123,179	
Total Liabilities & Deferred Inflows	(24,687)	2,727	(21,960)	-11.05%
Total Net Position	(98,492)	(2,727)	(101,219)	2.77%
Operating Revenues	(127,443)	(2,727)	(130,170)	2.14%
Operating Expenses	121,721		121,721	
Nonoperating Revenues (Exp)	(13)		(13)	
Change in Net Position	(5,735)	(2,727)	(8,462)	47.55%

Client: DuPage Township
 Period Ending: March 31, 2015

Major Enterprise Fund
 SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Overall F/S Materiality: \$6,200
 Performance Materiality: \$4,700 Use the New BKD custom ribbon to modify the PAJE schedule
 PAJE Scope: \$1,000

Description	Financial Statement Line Item	AWP REF	Factual (F), Judgmental (J), Projected (P)	Assets & Deferred Outflows				Liabilities & Deferred Inflows				Operating				Net Effect on Following Year		Post to AWP305?	Yes (Y) or No (N)	Management's Reason(s) for Not Making an Adjustment to the FIS		
				Current		Non-Current		Current		Non-Current		Revenues		Expenses		Revenues (Exp)					Net Position	
				DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)	DR	(CR)				DR	(CR)
to record addl income		L.100	F	0	0	2,727	0					(2,727)	0	0	0	0	0	0				
rental income												(2,727)										
deposits liability						2,727																
				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	2,727	0					(2,727)	0	0	0	0	0	0				
Total passed adjustments																						
												Impact on Change in Net Position		(2,727)								
												Impact on Net Position		(2,727)								