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CERTIFIED PUBLIC ACCOUNTANTS

July 21, 2020

Board of Trustees
DuPage Township
Bolingbrook, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of DuPage Township for the year ended March 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated January 17, 2020.

Professional standards also require that we communicate to you the following information related to our audit.

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 DuPage Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by DuPage Township 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 Township's financial statements were:

Management's estimate of the net pension liability related to IMRF is based on an actuarial report obtained directly from IMRF. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the compensated absence liability related to unused time off balances is based on compensated absence reports provided by management. We evaluated the key factors and assumptions used to develop the compensated absence liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

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. The attached schedule of misstatements detected as a result of our audit procedures were corrected by management.

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 requested certain representations from management that were not provided to us. As a result, we have disclaimed our audit opinion.

Management Consultations with Other Independent 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 DuPage Township'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 DuPage Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Budgetary Comparison and Pension Schedules, 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.

We were engaged to report on individual fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, 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 of America, 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.

We were not engaged to report on other supplementary schedules and statistical data, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Very truly yours,

Mack & Associates, P.C.

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Certified Public Accountants

Dupage Township
Adjusting Journal Entries

April 1, 2019 - March 31, 2020

Date	Reference	Account	Description	WP Reference	Debit	Credit	Net Income Effect
Adjusting Journal Entries							
03/31/20	AJE-1		RECLASS WORK NOW, LLC FROM SALARY LINE				0.00
		01-1-257	Salaries		2,510.00		
		01-1-522	Professional Services				
03/31/20	AJE-2		RECORD A/P ADJUSTMENT				(6,158.00)
		02-1-531	Utilities		2,064.00		
		03-9-551	FOOD SUPPLIES		4,094.00		
		02-0-270	ACCOUNTS PAYABLE			2,064.00	
		03-0-270	ACCOUNTS PAYABLE			4,094.00	
03/31/20	AJE-3		ALLOCATE PROPERTY TAX TO CORRECT FUND				0.00
		01-0-401	Property tax		8,394.00		
		03-0-401	Property tax			395.00	
		05-0-401	Property tax			3,605.00	
		06-0-401	Property tax			4,394.00	
03/31/20	AJE-4		RECORD DUE TO/DUE FROM FROM PROPERTY TAX ALLOCATION				0.00
		06-0-150	DUE FROM TOWN FUND		4,394.00		
		01-0-350	Due to			8,394.00	
		01-0-103	First Midwest Disbursing Fund				
		05-0-150	DUE FROM				
03/31/20	AJE-5		ADJUST TIF FROM REPLACEMENT TAXES				0.00
		01-0-402	Replacement Tax		42,077.00		
		01-0-401	Property tax			42,077.00	
Totals for Adjusting Journal Entries					<u>67,533.00</u>	<u>67,533.00</u>	<u>(6,158.00)</u>
Report Totals					<u>67,533.00</u>	<u>67,533.00</u>	<u>(6,158.00)</u>

Journal Entry count = 5



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CERTIFIED PUBLIC ACCOUNTANTS

July 21, 2020

Board of Trustees
DuPage Township
Bolingbrook, Illinois

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DuPage Township as of and for the year ended March 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered DuPage Township'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 DuPage Township's internal control. Accordingly, we do not express an opinion on the effectiveness of DuPage 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses, and others we consider to be significant deficiencies.

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.

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. We have identified one significant deficiency in internal control in the attachment to this letter (Findings 2020-01).

During our audit, we also became aware of the following other matters that are opportunities for strengthening internal controls and operating efficiency: Comments 2020-02 through 2020-04.

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

Mack & Associates, P.C.

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Certified Public Accountants
Morris, Illinois

DUPAGE TOWNSHIP

Schedule of Significant Deficiencies
March 31, 2020

We consider the deficiency in internal control below to be a significant deficiency:

Significant Deficiencies

2020-01: Controls Over General and Emergency Assistance Program

Condition:

The Township does not have formally documented and enforced policies related to application, approval, documentation/record retention and disbursement of General Assistance funds.

Criteria:

Use of General Assistance funds is significantly restricted by state statutes. In order to ensure proper expenditure of these funds, the Township should develop and enforce written policies and procedures related to General Assistance.

Cause:

In the year under audit, and in prior years, the Township had informal policies and procedures related to use of General Assistance funds.

Effect:

Without appropriate policies and procedures in place, it is likely that General Assistance funds could be used for purposes that are not compliant with state statutes.

Recommendation:

The Township should implement a formal policy and set guidelines for application, approval, documentation/record retention, and disbursement of General Assistance funds that is in compliance with applicable state statutes.

Management's Response:

The Township has begun to develop and formalize policies and procedures relating to use of General Assistance funds.

DUPAGE TOWNSHIP

Schedule of Management Comments and Recommendations March 31, 2020

In addition to the significant deficiency reported on the preceding page, we became aware of the following matters that are opportunities for strengthening internal controls and operating efficiency:

2020-02: Financial Statement Preparation

Condition:

The Township's personnel do not prepare the Township's financial statements and related disclosures. The Township has engaged the external auditors to assist in preparing these reports using the financial information provided by the Township. Township management has the ultimate responsibility for the Township's system of internal control over financial reporting, including preparation of complete and accurate external financial statements and related disclosures. As independent auditors, the external auditors cannot be considered a part of the Township's system of internal controls. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors.

It is common practice for the auditors to prepare the financial statements for many entities; however, this is considered an internal control deficiency in accordance with generally accepted auditing standards, which requires written communication to those charged with governance.

Township management, with assistance from the outside consultants, have prepared final trial balances and supporting schedules for many financial statement amounts and disclosures. However, the independent auditors prepared schedules required for presentation and disclosure of the Township's capital assets, long-term debt, and net pension obligation and related balances. These amounts are material to the financial statements.

Without preparation of these schedules and inclusion of the information by the auditors, the Township's financial statements would have been materially misstated.

Recommendation:

In addition to performing a comprehensive review of the financial statements and related disclosures, the Township should designate individuals within the Township or its outside consultants to maintain the schedules identified above, and should provide these to the auditors annually for testing and analysis.

DUPAGE TOWNSHIP

Schedule of Management Comments and Recommendations March 31, 2020

2020-03: Accounting for Capital Assets/Long-Term Liabilities

Description:

The external auditors maintain the Township's listing of capital assets and schedule of long-term liabilities for reporting in the annual financial statements. The Township relies on the auditors to determine capital additions and disposals annually and to properly report principal and interest payments and outstanding debt balances.

The Board of Trustees has the ultimate responsibility for the Township's system of internal control over financial reporting. While it is acceptable to outsource various functions, responsibility for internal control cannot be outsourced to external auditors. As independent auditors, the external auditors cannot be considered a part of the Township's system of internal controls.

Recommendation:

We recommend the Township continue to provide a detailed listing of capital assets and begin to calculate depreciation annually. The Township should also track principal and interest payments, and outstanding balances of all long-term liabilities, including compensated absences and net pension obligations.

The Township has engaged WIPFLI CPAs to assist with fiscal duties and management should work closely with the firm implement a strong system of internal controls related to tracking and reporting capital assets, and long-term liabilities.