

Selden Fox

Accounting for your future

619 Enterprise Drive | Oak Brook, Illinois 60523 | www.seldenfox.com
p 630.954.1400 | f 630.954.1327 | email@seldenfox.com

Draft - Subject to Change

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

September xx, 2021

Board of Trustees
Wheatland Township
Naperville, Illinois

We have audited the financial statements of **Wheatland Township** (Township) for the year ended March 31, 2021, and have issued our report thereon dated September xx, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 7, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. The financial statements are the responsibility of management with your oversight. 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 and timing previously communicated to management prior to field work beginning on July 12, 2021, and in our engagement letter dated February 7, 2021.

We address significant risks of material misstatement, whether due to error or fraud, by performing analytical procedures, making inquiries of those charged with governance, by observation and inspection, and by brainstorming with our audit team members. We use judgment to determine what a user of the financial statements would consider to be material in assessing the risk of misstatement. We also use judgment to determine our approach to internal control and further audit procedures relevant to significant audit areas. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion.

08-18-21

Significant Audit Findings

Qualitative Aspects of Accounting Practices – Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Wheatland 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 the year ended March 31, 2021.

We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 in determining an allowance for uncollectible property taxes and the useful lives of property and equipment is based on past experience. Management's determination of the net pension asset uses actuarial estimates based on past experience and future expectations. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements as a whole.

The disclosures in the financial statements 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 trivial, and communicate them to the appropriate level of management. Adjusting journal entries are summarized in Exhibit I. Management has corrected all such misstatements. In addition, we recorded adjustments as detailed in Exhibit II to convert the accounting records to comply with Governmental Accounting Standards Board Statement Number 34 (GASB 34). There was one uncorrected adjusting journal entries which is included in Exhibit III. Management has represented that the uncorrected adjusting journal entry is not material to the financial statements as a whole.

Disagreements With Management – For purposes of this letter, professional standards define a disagreement with management as 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 September xx, 2021.

Significant Audit Findings (cont'd)

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 the 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 the 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 – 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 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.

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

Very truly yours,

SELDEN FOX, LTD.

Edward G. Tracy
Executive Vice President

EGT/cg

**Wheatland Township
Adjusting Journal Entries
March 31, 2021**

Draft - Subject to Change

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>	<u>Profit (Loss) Effect</u>
Adjusting Journal Entry JE # 1				
Adjust property tax receivable to actual.				
2600.50	Deferred Property Tax - Road and Bridge	\$ 78,067.85	\$ -	\$ -
1600.50	Property Tax Receivable - Road and Bridge		78,067.85	-
Adjusting Journal Entry JE # 2				
Reclass proceeds from sale of capital assets to separate account.				
3090.60	Other Income - Perm Road	17,110.50		-
3092.60	Proceeds from Sale of Capital Assets - Perm Road		17,110.50	-
	Net effect on net position			<u>\$ -</u>

08-18-21

**Wheatland Township
GASB 34 Journal Entries
March 31, 2021**

Draft - Subject to Change

Account	Description	Debit	Credit	Profit (Loss) Effect
GASB 34 Adjustments JE # 1				
Record opening capital assets.				
9000	GWFS - Land	\$ 24,000.00	\$ -	\$ -
9002	GWFS - Buildings	3,812,556.12		
9004	GWFS - Leasehold Improvements	17,500.00		
9006	GWFS - Infrastructure	5,541,455.16		
9008	GWFS - Equipment	281,360.46		
9010	GWFS - Vehicles	1,213,474.43		
9012	GWFS - Office Equipment	63,987.85		
9102	GWFS - Accumulated Depreciation. - Buildings		945,342.59	
9104	GWFS - Accumulated Depreciation - Lease Impr.		8,750.02	
9106	GWFS - Accumulated Depreciation - Infrastructure		1,431,409.25	
9108	GWFS - Accumulated Depreciation. - Equipment		225,715.87	
9110	GWFS - Accumulated Depreciation - Vehicles		1,017,668.83	
9112	GWFS - Accumulated Depreciation - Office Equipment		60,660.60	
9300	GWFS - Net Investment in Capital Assets		7,264,786.86	-
GASB 34 Adjustments JE # 2				
Record capital asset additions and disposals.				
9006	GWFS - Infrastructure	262,175.26		
9008	GWFS - Equipment	5,650.00		
9010	GWFS - Vehicles	227,538.00		
9110	GWFS - Accumulated Depreciation - Vehicles	89,758.96		
9010	GWFS - Vehicles		89,758.96	
9602	GWFS - Capital Asset Additions - Highways and Streets		495,363.26	495,363.26
GASB 34 Adjustments JE # 3				
Record depreciation expense and the related accumulated depreciation in the government-wide financial statements.				
9700	GWFS - Depreciation - General Government	18,018.80		
9702	GWFS - Depreciation - Highways and Streets	437,859.32		
9102	GWFS - Accumulated Depreciation - Buildings		97,757.84	
9104	GWFS - Accumulated Depreciation - Lease Impr		1,166.67	
9106	GWFS - Accumulated Depreciation - Infrastructure		232,145.24	
9108	GWFS - Accumulated Depreciation - Equipment		33,569.60	
9110	GWFS - Accumulated Depreciation - Vehicles		89,347.00	
9112	GWFS - Accumulated Depreciation - Office Equipment		1,891.77	(455,878.12)
GASB 34 Adjustments JE # 4				
Record notes payable.				
9305	GWFS - Net Position	97,444.51		
9450	GWFS - Proceeds from Capital Lease Obligations	227,538.00		(227,538.00)
9251	GWFS - Notes Payable - LT		342,982.51	-

(cont'd)

08-18-21

**Wheatland Township
GASB 34 Journal Entries
March 31, 2021**

Draft - Subject to Change

Account	Description	Debit	Credit	Profit (Loss) Effect
GASB 34 Adjustments JE # 5				
To record principal payments made on notes payable.				
9251	GWFS - Notes Payable - LT	\$ 82,761.65	\$ -	\$ -
9710	GWFS - Principal Paid - Long-Term Debt		82,761.65	82,761.65
GASB 34 Adjustments JE # 6				
Allocate debt between current and long-term.				
9251	GWFS - Notes Payable - LT	76,427.70		
9250	GWFS - Notes Payable - ST		76,427.70	-
GASB 34 Adjustments JE # 7				
Record compensated absences payable at March 31, 2021.				
9305	GWFS - Net Position	10,052.01		
9500	GWFS - Change in Compensated Absences - General	2,345.01		
9502	GWFS - Change in Compensated Absences - Highways	2,204.07		
9200	GWFS - Comp Absences Payable		14,601.09	(4,549.08)
GASB 34 Adjustments JE # 8				
Adjust net pension liability and related deferred inflows and outflows in the government-wide financial statements.				
9180	GWFS - Deferred Outflow - Actuarial	50,227.00		
9180	GWFS - Deferred Outflow - Actuarial	148,571.00		
9185	GWFS - Deferred Outflow - Contributions	15,287.00		
9305	GWFS - Net Position	134,984.00		
9181	GWFS - Deferred Inflow - Actuarial		16,699.00	
9181	GWFS - Deferred Inflow - Actuarial		35,623.00	
9181	GWFS - Deferred Inflow - Actuarial		88,485.00	
9205	GWFS - Net Pension Liability		208,262.00	-
GASB 34 Adjustments JE # 9				
To record the change in the net pension liability and related deferred outflows and inflows of resources.				
9181	GWFS - Deferred Inflow - Actuarial	3,883.00		
9185	GWFS - Deferred Outflow - Contributions	4,427.00		
9205	GWFS - Net Pension Liability	239,366.00		
9180	GWFS - Deferred Outflow - Actuarial		64,143.00	
9181	GWFS - Deferred Inflow - Actuarial		127,316.00	
9504	GWFS - Pension Expense		53,217.00	53,217.00
Net effect on net position				\$ (56,623.29)

08-18-21

**Wheatland Township
Waived Adjusting Journal Entries
March 31, 2021**

Draft - Subject to Change

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>	<u>Profit (Loss) Effect</u>
Waived Adjusting Journal Entry JE # 1				
Adjust February and March PACE share to actual.				
4800.10	PACE - General Town	\$ 2,745.36	\$ -	\$ -
2100.10	Accrued Liabilities - General Town		2,745.36	<u>(2,745.36)</u>
	Net effect on net position			<u>\$ (2,745.36)</u>

08-18-21