



RSM US LLP

June 14, 2017

To the Honorable Village President and Board of Trustees  
Village of Glenview  
Glenview, Illinois

In planning and performing our audit of the financial statements of Village of Glenview, Illinois (the Village) as of and for the year ended December 31, 2016, 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 audit 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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the 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 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.

Following are descriptions of other identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

**Finding 2016-001: *Capital Assets***

As also reported in previous audits, we noted during our audit of capital assets the Village does not have a detailed listing of infrastructure assets for items acquired prior to the implementation of GASB 34 (FY2003).

## **Recommendation**

As a follow up to our previous recommendations, the Village staff worked with the Community Development Department and with the Geographic Information System (GIS) for the purposes of analyzing historical information to compare to the total amount reported for infrastructure assets in the Village's financial statements. Based on their analysis, it appears that the total amount reported for infrastructure assets in the financial statements and the total amount accumulated using GIS shows an immaterial variance. We recommend the Village continue their efforts with the Community Development Department, as well as GIS to obtain a detailed inventory of infrastructure assets, including those acquired/constructed prior to 2003 to accommodate the information needed for accurate preparation of the financial statements. This will allow the Village to accurately report the value of infrastructure assets that are replaced or disposed.

## **Management Response**

The Village has invested a significant effort in the last few years entering its historical as-built paper plans into its electronic Geographic Information System (GIS) for the purposes of managing, tracking, and planning for infrastructure improvements. Significant progress has been achieved in the process of updating these asset records with location information and attribute data such as installation year, material, size, type, and asset class. During 2015, an overall comparison by asset class of the capital asset financial records to the GIS infrastructure data from 1924-2014 was completed. During 2016 staff continued with the final scope of the project which is a comparison between earlier asset data sets and compiling a more detailed inventory of infrastructure assets, including those acquired and constructed prior to 2003. This data will be used to update capital asset financial records and the integration of these records will insure the accurate reporting of the value of infrastructure assets that are replaced or disposed. This final scope is projected to be completed by the end of 2017.

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

*RSM US LLP*