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The Honorable President
Members of the Board of Trustees
Village of Hillside, 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 Village of Hillside, Illinois (the Village) for the year ended April 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Village of Hillside'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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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.

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 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.

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

Sikich LLP

Naperville, Illinois
October 21, 2021

MATERIAL WEAKNESS

We consider the following deficiency to be a material weakness in internal control:

Prior Period Adjustments

During our testing, we identified instances that required a prior period adjustment to the Village's financial statements as of May 1, 2020. These items include:

- Revenue recognition corrections for income taxes
- Eliminating an inactive insurance deposit account
- Recording TIF expenditures incurred in prior years to the appropriate fund
- Recording TIF bond payable activity related to an issuance from 2018
- Eliminating early retirement incentive liabilities from prior year that are captured under the Other Post Employee Benefit GASB Statement No. 75 actuarial valuation

We recommend the Village perform a detailed revenue of significant balance sheet and income statement accounts as part of both year end and month end close process to ensure amounts are properly recorded.