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October 19, 2015

Board of Trustees and Management
Village of La Grange Park
La Grange Park, Illinois

We have audited the financial statements of the **Village of La Grange Park** (Village) as of and for the year ended April 30, 2015, and have issued our report thereon dated October 19, 2015. During our audit, we noted the following matters we believe to be of potential benefit to you.

Future Accounting and Auditing Pronouncements

The Governmental Accounting Standards Board (GASB) has issued a number of pronouncements that become effective in future years that may impact the Village.

GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, replaces the requirements of GASB Statement No. 27 and Statement No. 50 as they relate to pensions that are provided through pension plans administered through trusts. The statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. This statement will require recognition in the statement of net position of the net pension liability, which will approximate the unfunded actuarial accrued liability currently being reported as required supplementary information only (\$421,552 for IMRF based on 2014 actuarial valuation). Statement No. 68 is applicable for the year ending April 30, 2016.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, requires a government to recognize as a deferred outflow of resources any contribution made to its defined benefit pension plan between the measurement date and the end of the government's reporting period. The measurement date is required to be a date no earlier than the end of the prior fiscal year. Statement No. 68 is applicable for the year ending April 30, 2016.

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes accounting and financial reporting standards related to fair value measurements, and is effective for the year ending April 30, 2017.

Future Accounting and Auditing Pronouncements (cont'd)

GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, extends the approach to accounting and financial reporting established by GASB Statement 68 to all pensions and clarifies certain issues from GASB Statement 67 and 68. Sections of this Statement are effective for the years ending April 30, 2016, 2017 and 2018.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting standards for OPEB Plans, and is effective for the year ending April 30, 2018.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, establishes new accounting and financial reporting standards for local governments who offer OPEB Plans administered through a trust, and is effective for the year ending April 30, 2019.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, identifies in the context of the current governmental financial reporting format, the sources of accounting principles used to prepare financial statements of local governments in conformity with generally accepted accounting principles, and is effective for the year ending April 30, 2017.

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

Selden Fox, Ltd.