

VILLAGE OF RIDGEWAY, WISCONSIN
REQUIRED AUDIT COMMUNICATIONS
TO THE MEMBERS OF THE VILLAGE BOARD

Year Ended December 31, 2023

DRAFT

Johnson Block & Company, Inc.
Certified Public Accountants
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VILLAGE OF RIDGEWAY, WISCONSIN

Year Ended December 31, 2023

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

June 26, 2024

To the Village Board
Village of Ridgeway, Wisconsin

We have audited the financial statements of the Village of Ridgeway (“Village”) as of and for the year ended December 31, 2023, and have issued our report thereon dated June 26, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 7, 2023, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system 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 the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Village solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting material weaknesses, and other matters noted during our audit in a separate letter to you dated June 26, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- Material audit adjustments were required in the prior year.
- Possibility of management override of controls – presumed risk that there is a possibility that management could circumvent proper procedures and controls.
- Limited segregation of duties – the size of the office staff precludes a proper separation of duties for adequate internal control. Risk exists in utility billing/collection, cash disbursements and payroll audit areas.
- Improper revenue recognition due to fraud – presumed risk of material misstatement. Year-end manipulation of revenue by overstating receivables. Recognizing revenue before it is earned.
- Property taxes – property tax revenues and receivables are not always recorded accurately. Prior year taxes are not always cleared after the August settlement and taxes receivable is not always recorded. December tax collections are not always recorded by year end.
- Unrecorded lease receivables – lease receivables and deferred inflows could exist and not be recorded. GASB 87 is relatively new.
- Unrecorded SBITAs – GASB 96 is a new accounting statement for 2023.
- Depreciable lives – depreciation is calculated based on Village policy for the estimate of useful lives.
- Unrecorded capital assets – the Village does not always capture all additions and removals. GASB 87 lease accounting is still relatively new.
- Fraud in journal entries.
- Turnover in key accounting personnel with the resignation of the clerk/treasurer.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Village is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

Qualitative Aspects of the Entity's Significant Accounting Practices (Continued)

Significant Accounting Estimates and Related Disclosures (Continued)

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of depreciable lives of fixed assets was based on the estimated useful life of the related fixed asset.
- Management's estimates of lease receivables, and deferred inflows of resources related to leases are based on applicable lease terms, projected future payments and a discount rate.

We evaluated the key factors and assumptions used to develop these amounts and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Village's financial statements relate to:

- Long-term obligations
- Capital assets for governmental and business-type activities
- Tax incremental district

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached Appendix 2 summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See Appendix 1 for the misstatements that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Village's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated June 26, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Village, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Village's auditors.

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

Johnson Block & Company, Inc.
June 26, 2024

COMMUNICATION OF MATERIAL WEAKNESSES

To the Village Board
Village of Ridgeway, Wisconsin

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 Ridgeway, Wisconsin (“Village”), as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Village of Ridgeway’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 of Ridgeway’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 over financial reporting 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 combination of deficiencies in internal control over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probably as defined as follows:

- *Reasonably possible.* The chance of the future event occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We consider the following deficiencies in internal control to be a material weaknesses:

Limited Segregation of Duties

The size of the office staff precludes a proper segregation of functions to assure adequate internal control. This is not unusual in organizations of your size, but management should continue to be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management’s knowledge and monitoring of matters relating to the Village’s operations.

Management of the Village takes an active part in monitoring matters relating to Village operations.

Material Adjustments

Material adjusting journal entries not prepared by the Village prior to the audit or not otherwise provided by the Village are considered an internal control weakness. We proposed numerous adjusting journal entries and deem these adjustments to be material in relation to the financial statements. Since the Village did not make these adjustments prior to the audit, a material weakness exists in the Village's internal controls.

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

Johnson Block & Company, Inc.
June 26, 2024

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MANAGEMENT LETTER

To the Village Board
Village of Ridgeway, Wisconsin

In planning and performing our audit of the financial statements of the Village of Ridgeway, Wisconsin for the year ended December 31, 2023, we considered the Village's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The following pages that accompany this letter summarize our comments and suggestions regarding those matters. This letter does not affect our report dated June 26, 2024, on the financial statements of the Village.

We would like to take this opportunity to acknowledge the many courtesies extended to us by the Village's personnel during the course of our work.

We shall be pleased to discuss any of the matters referred to in this letter. Should you desire assistance in implementing any of the following suggestions, we would welcome the opportunity of assisting you in these matters.

Johnson Block & Company, Inc.
June 26, 2024

VILLAGE OF RIDGEWAY, WISCONSIN

Year Ended December 31, 2023

ADJUSTING JOURNAL ENTRIES

We are frequently requested by our clients to discuss the overall condition of their accounting records and what our role is as your audit firm. We believe that these matters should be discussed at each audit. The following section describes your accounting process in general terms and the ways in which we work with your staff.

The Village of Ridgeway processes accounting transactions based on the type of transaction involved. Money coming in is processed using a cash receipt system. The payment of bills is done through an accounts payable system. Employees' salaries are paid using a payroll system. Customer billing and accounts receivable are processed through a billing system. These four systems are responsible for recording and summarizing the vast majority of your financial statements.

Beyond the four systems described in the preceding paragraph, another system is used to make corrections and to record non-cash transactions. This system involves preparing general journal entries. Journal entries provide the ability to make changes to the financial data entered in the other systems. As your auditor, our role is to substantiate year-end financial balances and information presented by your accounting personnel, and compare it to supporting information and outside confirmations. When information in your records does not agree with audit evidence, an adjusting entry is necessary to correct your records. Sometimes these entries are identified by your staff as they get ready for the audit. Other adjustments are prepared by us as we discover that your general ledger balances need to be changed to reflect the correct balances.

For the 2023 audit, we proposed adjustments and reclassifications to your records. The effect of these journal entries was considered to be material to the financial statements of the Village of Ridgeway, Wisconsin. The proposed entries were accepted by the Village of Ridgeway's management. All of these changes are reflected properly in your audited financial statements.

Because we are providing assistance to your staff by proposing changes to correct your financial information, you should be aware of these processes. Many of our clients rely on us to make year-end adjustments as we have described. In many cases, we have the experience or expertise to compute, and identify, corrections to your records. We work with many clients on similar issues, so it may be more efficient for you to have us do some of the one-time adjustments, rather than your staff spending hours researching the proper adjustment.

Due to the technical nature of financial reporting and complying with financial reporting standards, most clients have their CPA firm prepare the year end financial statements and note disclosures. We have provided these services to the Village of Ridgeway.

We are communicating this information to you to give you a better understanding of what we do and how the year end process works. Our job as auditors is to bring in an outside perspective and provide a level of comfort that your financial reporting system is materially correct and accurately reflects the financial activity for the year.

We hope that by providing this information on what we do, you will have a better understanding of our role, and the various ways that we work with your staff.

PASSED JOURNAL ENTRIES

Passed journal entries may occur due to transaction timing, industry practices or lack of overall significance. See Appendix 2 for passed journal entries.

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OTHER COMMENTS ON OPERATIONS AND INTERNAL CONTROL

Tax Incremental District Considerations

As explained in Note 8 of the audit report, the last date to incur TID #1 project costs was August 7, 2022, and the TID must close by August 7, 2030. Leading up to the mandatory termination date, the Village should consider the following:

1. TID law provides an affordable housing extension that may be available to TID #1. After a TID has paid all its infrastructure and development costs, but before it is formally terminated, the Affordable Housing Extension allows the District to be repurposed for one additional year to benefit affordable housing and improve housing stock anywhere within the community. The State of Wisconsin has reported an increasing trend in TIDs using the Affordable Housing Extension since 2018.

The Village would need to use at least 75% of those tax increments to “benefit affordable housing” anywhere within the Village in which the TID exists. Affordable housing is defined as housing costing no more than 30% of the household’s gross monthly income. A household consists of an individual and his or her spouse and all minor dependents. Any remaining portion of the increments must be used by the municipality to improve its housing stock.

2. TID annual reports are due to Wisconsin DOR each year by July 1. A Joint Review Board (JRB) meeting is required to be held to review annual reports. State legislation indicates the meeting should be held on July 1 or when the annual report becomes available.

The Village should notify each JRB member when the report is available and schedule a meeting. Notice should be published five days before the meeting to review annual reports.

Sewer Utility Advances from Other Funds

The Sewer Utility owed the General Fund \$117,159 as of December 31, 2023. \$56,282 of this amount is from 1989 when the General Fund advanced \$224,000 to assist the utility in payments of improvements to the sewer plant. \$12,200 of this advance is being repaid each year. There is no repayment schedule for the other \$60,877 owed at December 31, 2023.

The Utility had unrestricted cash of \$205,674 as of year-end. This could be used to pay down the advance.

Budget

A required supplementary schedule comparing General Fund budget to actual results is included on Page 43 of the audit report. Two functions are reflecting an overspent budget. We recommend budget amendments be approved throughout the year to prevent expenditures exceeding budget appropriations.

Amendments can be made at the functional level consistent with how the budget was published and adopted. For example, the Village could approve a budget amendment between the public works and public safety with a net effect to the total expenditure budget of \$0.

CONCLUDING REMARKS

We would like to thank you for allowing us to serve you. We are committed to assisting you in the long-term financial success of the Village of Ridgeway and our comments are intended to draw to your attention issues which need to be addressed by the Village to meet its goals and responsibilities.

The comments and suggestions in this communication are not intended to reflect in any way on the integrity or ability of the personnel of the Village of Ridgeway. They are made solely in the interest of establishing sound internal control practices required by changing professional standards. The Village of Ridgeway's staff is deeply committed to maintaining the financial reporting system so that informed decisions can be made. They were receptive to our comments and suggestions.

We will review the status of these comments during each audit engagement.

If you have any questions or comments regarding this communication or the financial statements, do not hesitate to contact us.

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Appendix 1 – Adjusting Journal Entries

Client: **RIDGEVILL - Village of Ridgeway**
 Engagement: **Village of Ridgeway 12/31/23 Audit**
 Period Ending: **12/31/2023**
 Trial Balance: **TB**
 Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1001		GL		
Close account to equity.				
140-00-33000-000-000	FUND BALANCE		40,976.56	
140-00-49300-000-000	FUND BALANCE APPLIED			40,976.56
Total			40,976.56	40,976.56
Adjusting Journal Entries JE # 1002		6100.01		
Adjust equity for immaterial unknown difference.				
100-00-21000-000-000	ACCOUNTS PAYABLE		199.99	
100-00-33000-000-000	FUND BALANCE - UNRESTRICTED			199.99
Total			199.99	199.99
Adjusting Journal Entries JE # 1003		5300.10		
Adjust principal and interest to agree to the balance confirmed by the bank.				
210-00-58290-000-000	TIF INTEREST & FISCAL CHARGES		390.58	
300-00-29600-000-000	NOTE PAYABLE - FARMERS CDBG 18		6,333.79	
300-00-29610-000-000	NOTE PAYABLE - RD REV BOND		34,300.00	
340-00-58100-000-000	PRINCIPAL ON LT DEBT GF		33.29	
340-00-58100-000-000	PRINCIPAL ON LT DEBT GF		7,815.84	
340-00-58290-000-000	INTEREST & FISCAL CHARGES GF		4,427.80	
400-00-11100-000-131	POOLED WATER FUND		12,243.64	
400-00-29600-000-000	NOTE PAYABLE - FARMERS CDBG		7,709.96	
400-00-29600-000-224	NOTE PAYABLE - FARMERS CDBG 18		49,524.21	
400-00-29620-000-000	SDWF - REV BOND 2022		14,628.93	
400-00-58200-000-427	INTEREST EXPENSE - WATER		267.23	
210-00-58100-000-000	PRINCIPAL ON TIF LOAN			390.58
300-00-58100-000-000	PRINCIPAL ON LT DEBT			40,633.79
340-00-11100-000-000	POOLED CASH DEBT SERVICE			12,243.64
340-00-58290-000-000	INTEREST & FISCAL CHARGES GF			33.29
400-00-29600-000-224	NOTE PAYABLE - FARMERS CDBG 18			267.23
400-00-58100-000-000	PRINCIPAL ON LT DEBT			7,815.84
400-00-58100-000-000	PRINCIPAL ON LT DEBT			71,863.10
400-00-58200-000-427	INTEREST EXPENSE - WATER			4,427.80
Total			137,675.27	137,675.27
Adjusting Journal Entries JE # 1004		5300.10		
Adjust accrued interest on utility debt.				
300-00-21600-000-237	ACCRUED INTEREST		138.00	
400-00-21600-000-237	ACCRUED INTEREST		410.00	
300-00-58200-000-427	INTEREST EXPENSE - SEWER			22.00
300-00-58200-000-428	INTEREST EXPENSE USDA RD LOAN			116.00
400-00-58200-000-427	INTEREST EXPENSE - WATER			410.00
Total			548.00	548.00

Client: **RIDGEVILL - Village of Ridgeway**
 Engagement: **Village of Ridgeway 12/31/23 Audit**
 Period Ending: **12/31/2023**
 Trial Balance: **TB**
 Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1005		4220.10		
Settle 2022 due in 2023 tax roll.				
100-00-24310-000-000	TAXES DUE COUNTY / STATE		73,894.52	
100-00-24500-000-000	DUE TO SWTC		12,511.28	
100-00-24600-000-000	DUE TO DODGEVILLE SCHOOLS		98,696.49	
100-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		261,994.37	
100-00-41110-000-000	REAL ESTATE TAXES		136.11	
100-00-41110-000-000	REAL ESTATE TAXES		303,384.71	
100-00-41110-000-000	REAL ESTATE TAXES		479,007.72	
140-00-11100-000-000	POOLED CAPITAL FUND		10,000.00	
140-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		10,000.00	
210-00-11100-000-000	POOLED TIF FUND		154,916.45	
210-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		154,916.45	
340-00-11100-000-000	POOLED CASH DEBT SERVICE		121,240.00	
340-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		121,240.00	
100-00-11100-000-000	POOLED GENERAL FUND			286,156.45
100-00-12100-000-000	PROPERTY TAXES RECEIVABLE			464,324.92
100-00-12100-000-000	PROPERTY TAXES RECEIVABLE			479,007.72
100-00-48900-000-000	OTHER MISC REVENUES			136.11
140-00-12100-000-000	PROPERTY TAXES RECEIVABLE			10,000.00
140-00-41110-000-000	REAL ESTATE TAXES			10,000.00
210-00-12100-000-000	PROPERTY TAXES RECEIVABLE			154,916.45
210-00-41120-000-000	TAX INCREMENTS (TID)			154,916.45
340-00-12100-000-000	PROPERTY TAXES RECEIVABLE			121,240.00
340-00-41110-000-000	REAL ESTATE TAXES			121,240.00
Total			<u>1,801,938.10</u>	<u>1,801,938.10</u>
Adjusting Journal Entries JE # 1006		4220.25		
Record 2023 statement of taxes due in 2024.				
100-00-12100-000-000	PROPERTY TAXES RECEIVABLE		999,917.02	
140-00-12100-000-000	PROPERTY TAXES RECEIVABLE		24,994.00	
210-00-12100-000-000	PROPERTY TAXES RECEIVABLE		209,959.02	
340-00-12100-000-000	PROPERTY TAXES RECEIVABLE		102,168.00	
100-00-24310-000-000	TAXES DUE COUNTY / STATE			307,179.66
100-00-24500-000-000	DUE TO SWTC			49,877.36
100-00-24600-000-000	DUE TO DODGEVILLE SCHOOLS			395,139.70
100-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		478.30	
100-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		247,242.00	
140-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		24,994.00	
210-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		209,959.02	
340-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		102,168.00	
Total			<u>1,337,038.04</u>	<u>1,337,038.04</u>

Client: **RIDGEVILL - Village of Ridgeway**
 Engagement: **Village of Ridgeway 12/31/23 Audit**
 Period Ending: **12/31/2023**
 Trial Balance: **TB**
 Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1007		4220.45		
Reclass interest on special assessments and reflect collections in balance sheet accounts. Reclass dog licenses.				
100-00-26200-000-000	DEFERRED SPECIAL ASSESSMENTS		741.39	
100-00-42000-000-000	SPECIAL ASSESSMENTS		16.00	
100-00-42000-000-000	SPECIAL ASSESSMENTS		84.22	
100-00-13200-000-000	SPEC ASSESS RECEIVABLE			741.39
100-00-44200-000-000	DOG LICENSES			16.00
100-00-48130-000-000	INTEREST ON SPECIAL ASSESS			84.22
Total			841.61	841.61
Adjusting Journal Entries JE # 1008		4220.01		
Recognize 2022 payable 2023 tax equivalent as revenue.				
100-00-26300-000-000	DEFERRED REV - PROP TAX EQUIV		43,548.00	
100-00-41310-000-000	PROP TAX EQUIVALENT - WATER			43,548.00
Total			43,548.00	43,548.00
Adjusting Journal Entries JE # 1009		4900.10		
Record interest expense due on TID advance.				
100-00-11100-000-000	POOLED GENERAL FUND		25,816.20	
210-00-58291-000-000	TIF INTEREST ON ADVANCES		25,816.20	
100-00-48111-000-000	INTEREST ON ADVANCES			25,816.20
210-00-11100-000-000	POOLED TIF FUND			25,816.20
Total			51,632.40	51,632.40
Adjusting Journal Entries JE # 1010		4900.01		
Record payment on advance for annual amount agreed-upon by the Village Board when the advance was originally made.				
100-00-11100-000-000	POOLED GENERAL FUND		12,200.00	
300-00-29600-000-223	ADVANCE FROM VILLAGE		12,200.00	
100-00-15700-000-000	ADVANCE TO SEWER UTILITY			12,200.00
300-00-11100-000-000	POOLED SEWER FUND			12,200.00
Total			24,400.00	24,400.00
Adjusting Journal Entries JE # 1011		5100.01		
Allocate payment of credit card to other funds. This is the payment dated 1/9/2024.				
100-00-21000-000-000	ACCOUNTS PAYABLE		1,856.46	
150-00-21800-000-000	CREDIT CARD PAYABLE		1,719.85	
300-00-21800-000-000	CREDIT CARD PAYABLE		160.25	
400-00-21800-000-000	CREDIT CARD PAYABLE		174.36	
100-00-21800-000-000	CREDIT CARD PAYABLE			1,856.46
150-00-21100-000-000	ACCOUNTS PAYABLE			1,719.85
300-00-21100-000-000	ACCOUNTS PAYABLE			160.25
400-00-21100-000-000	ACCOUNTS PAYABLE			174.36
Total			3,910.92	3,910.92

Client: **RIDGEVILL - Village of Ridgeway**
 Engagement: **Village of Ridgeway 12/31/23 Audit**
 Period Ending: **12/31/2023**
 Trial Balance: **TB**
 Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1012		GL		
Client requested entry to move Police SAFER grant expenditures to fund 220 and remove payable for police radio.				
100-00-11100-000-000	POOLED GENERAL FUND		5,187.26	
100-00-21000-000-000	ACCOUNTS PAYABLE		3,760.65	
220-00-57210-000-000	LAW ENFORCEMENT OUTLAY		5,187.26	
100-00-52100-400-000	POLICE - VEHICLE EXPENSE			273.91
100-00-52100-430-000	POLICE - EQUIPMENT PURCHASED			831.02
100-00-52100-430-000	POLICE - EQUIPMENT PURCHASED			3,760.65
100-00-52100-431-000	POLICE - UNIFORMS			504.58
100-00-52100-450-000	POLICE - COMPUTER/SOFTWARE			3,577.75
220-00-11100-000-000	SRF-ALLOCATED CASH			5,187.26
Total			<u><u>14,135.17</u></u>	<u><u>14,135.17</u></u>
Adjusting Journal Entries JE # 1013		4620.05		
To record sewer fixed asset additions for 2023.				
300-00-18500-000-331	STRUCTURES & IMPROVEMENTS		4,369.00	
300-00-53611-000-833	MAINT OF TREATMENT SYSTEM			4,369.00
Total			<u><u>4,369.00</u></u>	<u><u>4,369.00</u></u>
Adjusting Journal Entries JE # 1014		G/L		
To reclass costs out of sewer CWIP				
300-00-53611-000-833	MAINT OF TREATMENT SYSTEM		18.77	
300-00-18200-000-300	CONST IN PROGRESS-WWTP			18.77
Total			<u><u>18.77</u></u>	<u><u>18.77</u></u>
Adjusting Journal Entries JE # 1015		4620.05		
To record fixed asset removals for the sewer.				
300-00-18600-000-140	ACCUMULATED DEPRECIATION		2,184.62	
300-00-18500-000-331	STRUCTURES & IMPROVEMENTS			2,184.62
Total			<u><u>2,184.62</u></u>	<u><u>2,184.62</u></u>
Adjusting Journal Entries JE # 1016		4620.05		
To adjust sewer depreciation for 2023.				
300-00-53615-000-403	DEPR EXPENSE - SEWER		715.12	
300-00-18600-000-140	ACCUMULATED DEPRECIATION			715.12
Total			<u><u>715.12</u></u>	<u><u>715.12</u></u>

Client: **RIDGEVILL - Village of Ridgeway**
 Engagement: **Village of Ridgeway 12/31/23 Audit**
 Period Ending: **12/31/2023**
 Trial Balance: **TB**
 Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1017		4620.05		
To record water fixed asset additions for 2023.				
400-00-18410-000-325	PUMPING - ELECTRIC EQUIPMENT		35,745.03	
400-00-18420-000-332	TREATMENT - WATER EQUIPMENT		1,482.58	
400-00-18430-000-346	TRANSMISSION - METERS		11,470.00	
400-00-21100-000-000	ACCOUNTS PAYABLE		26,578.79	
400-00-18200-000-320	CONST IN PROGRESS-2021 TOWER			67,892.58
400-00-53700-000-650	REPAIRS & MAINTENANCE			7,383.82
Total			75,276.40	75,276.40
Adjusting Journal Entries JE # 1018		4620.05		
To record water fixed asset removals for 2023.				
400-00-18390-000-110	ACCUMULATED DEPR - FINANCED		29,503.48	
400-00-18410-000-325	PUMPING - ELECTRIC EQUIPMENT			15,267.25
400-00-18420-000-332	TREATMENT - WATER EQUIPMENT			1,216.23
400-00-18430-000-346	TRANSMISSION - METERS			13,020.00
Total			29,503.48	29,503.48
Adjusting Journal Entries JE # 1019		4620.05		
To adjust water depreciation for 2023.				
400-00-18390-100-110	ACCUMULATED DEPR - CONTRIBUTED		163.38	
400-00-53730-000-403	DEPRECIATION EXP-FINANCED		2,479.71	
400-00-18390-000-110	ACCUMULATED DEPR - FINANCED			2,479.71
400-00-53730-000-404	DEPRECIATION EXP-CONTRIBUTED			163.38
Total			2,643.09	2,643.09
Adjusting Journal Entries JE # 1020		4620.05		
To move PSC annual assessment to correct account for the PSC report.				
400-00-53730-003-408	TAXES -- PSC ASSESSMENT		198.41	
400-00-53610-000-821	OPERATION EXPENSES			198.41
Total			198.41	198.41
Adjusting Journal Entries JE # 1021		G/L		
To move sewer expense out of fixed asset account to an expense account.				
300-00-53610-000-827	OTHER SUPPLIES & EXPENSES		15.99	
300-00-18600-000-372	OFFICE EQUIPMENT			15.99
Total			15.99	15.99
Adjusting Journal Entries JE # 1022		G/L		
To move expenses out of sewer miscellaneous equipment fixed asset account.				
300-00-53610-000-827	OTHER SUPPLIES & EXPENSES		918.70	
300-00-18600-000-379	MISCELLANEOUS EQUIPMENT			918.70
Total			918.70	918.70

Client: **RIDGEVILL - Village of Ridgeway**
 Engagement: **Village of Ridgeway 12/31/23 Audit**
 Period Ending: **12/31/2023**
 Trial Balance: **TB**
 Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1023		4620.05		
Record joint meter allocation.				
300-00-53612-000-857	JOINT METER ALLOCATION		4,883.00	
400-00-11100-000-131	POOLED WATER FUND		4,883.00	
300-00-11100-000-000	POOLED SEWER FUND			4,883.00
400-00-46452-000-474	OTHER WATER REVENUES			2,118.00
400-00-53730-000-403	DEPRECIATION EXP-FINANCED			2,037.00
400-00-53730-004-408	TAXES-PT EQUIVALENT			728.00
Total			9,766.00	9,766.00
Adjusting Journal Entries JE # 1024		5140.10		
Entry to adjust 2023 tax equivalent.				
100-00-26300-000-000	DEFERRED REV - PROP TAX EQUIV		2,283.00	
400-00-11100-000-131	POOLED WATER FUND		2,283.00	
100-00-11100-000-000	POOLED GENERAL FUND			2,283.00
400-00-53730-004-408	TAXES-PT EQUIVALENT			2,283.00
Total			4,566.00	4,566.00
Adjusting Journal Entries JE # 1025		GL, 5100.20		
Entry to clear out old ap from listing				
400-00-21100-000-000	ACCOUNTS PAYABLE		400.00	
400-00-53710-000-682	CONTRACTED SERVICES			400.00
Total			400.00	400.00
Adjusting Journal Entries JE # 1026		4200.20		
To record MG&E refund of services added as a receivable at 12.31.23. (REVERSE AT 1.1.2024)				
210-00-13100-000-000	Other Accounts Receivable		2,550.00	
210-00-48900-000-000	MISCELLANEOUS INCOME			2,550.00
Total			2,550.00	2,550.00
Adjusting Journal Entries JE # 1027		GL		
Reflect employee share of health and dental against account 100-00-21530.				
100-00-21530-000-000	HEALTH & DENTAL INS PAYABLE		4,292.18	
300-00-11100-000-000	POOLED SEWER FUND		2,146.09	
400-00-11100-000-131	POOLED WATER FUND		2,146.09	
100-00-11100-000-000	POOLED GENERAL FUND			4,292.18
300-00-53612-000-854	EMPLOYEE BENEFITS			2,146.09
400-00-53710-000-686	EMPLOYEE BENEFITS			2,146.09
Total			8,584.36	8,584.36
Adjusting Journal Entries JE # 1028		4600.55		
Reclassify lease payments received.				
400-00-46452-000-421	ANTENNA & GENERATOR RENT		3,270.06	
400-00-46452-000-421	ANTENNA & GENERATOR RENT		29,532.00	
400-00-14800-000-000	LEASE RECEIVABLE			2,988.95
400-00-14800-000-000	LEASE RECEIVABLE			28,174.15
400-00-48101-000-000	Lease Interest Income			281.11
400-00-48101-000-000	Lease Interest Income			1,357.85
Total			32,802.06	32,802.06

Client: **RIDGEVILL - Village of Ridgeway**
 Engagement: **Village of Ridgeway 12/31/23 Audit**
 Period Ending: **12/31/2023**
 Trial Balance: **TB**
 Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1029		4600.55		
Record reduction in lease deferred inflows of resources.				
400-00-28800-000-000	DEFERRED INFLOW - LEASES		2,922.12	
400-00-28800-000-000	DEFERRED INFLOW - LEASES		28,269.84	
400-00-46452-000-421	ANTENNA & GENERATOR RENT			2,922.12
400-00-46452-000-421	ANTENNA & GENERATOR RENT			28,269.84
Total			31,191.96	31,191.96
Adjusting Journal Entries JE # 1030		4400.10		
To record 2024 Workhorse expense to prepaid. (REVERSE 1/1/24).				
100-00-19000-000-000	Prepaid Expenses		1,350.00	
300-00-19000-000-000	Prepaid Expenses		1,350.00	
400-00-19000-000-000	Prepaid Expenses		1,350.00	
100-00-51500-240-000	SOFTWARE SUBSCRIPTIONS & FEES			1,350.00
300-00-53612-000-840	BILLING & ACCOUNTING			1,350.00
400-00-53612-000-840	BILLING & ACCOUNTING			1,350.00
Total			4,050.00	4,050.00
Adjusting Journal Entries JE # 1031		4400.10		
To record prepaid for Baer insurance premiums. (Coverage runs 8/23-8/24). (REVERSE IN 2024).				
100-00-19000-000-000	Prepaid Expenses		3,384.48	
300-00-19000-000-000	Prepaid Expenses		3,384.48	
400-00-19000-000-000	Prepaid Expenses		3,384.48	
100-00-51938-000-000	GENERAL GOV'T INSURANCE			3,384.48
300-00-53612-000-853	INSURANCE			3,384.48
400-00-53710-000-684	INSURANCE			3,384.48
Total			10,153.44	10,153.44
Adjusting Journal Entries JE # 1032		4400.10		
To record Municipal Property insurance fund premium to prepaid expense for 12.31.23. (REVERSE IN 2024).				
100-00-19000-000-000	Prepaid Expenses		2,742.92	
300-00-19000-000-000	Prepaid Expenses		2,742.92	
400-00-19000-000-000	Prepaid Expenses		2,742.91	
100-00-51938-000-000	GENERAL GOV'T INSURANCE			2,742.92
300-00-53612-000-853	INSURANCE			2,742.92
400-00-53710-000-684	INSURANCE			2,742.91
Total			8,228.75	8,228.75

Client: **RIDGEVILL - Village of Ridgeway**
 Engagement: **Village of Ridgeway 12/31/23 Audit**
 Period Ending: **12/31/2023**
 Trial Balance: **TB**
 Workpaper: **3700.01 - Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1033		4400.15		
To record annual amortization on tower repair costs.				
400-00-53700-000-650	REPAIRS & MAINTENANCE		49,146.00	
400-00-17000-000-186	MISC DEFERRED DEBITS			49,146.00
Total			49,146.00	49,146.00
Adjusting Journal Entries JE # 1034		4210.30		
Adjust public fire protection charge to actual				
100-00-52200-265-000	HYDRANT RENTAL		21,432.00	
400-00-11100-000-131	POOLED WATER FUND		21,432.00	
100-00-11100-000-000	POOLED GENERAL FUND			21,432.00
400-00-46450-000-463	HYDRANT RENTAL			21,432.00
Total			42,864.00	42,864.00
Adjusting Journal Entries JE # 1035		5200.15		
Adjust accrued payroll to actual at 12.31.23.				
100-00-21700-000-000	ACCRUED PAYROLL		1,971.00	
300-00-53610-000-820	WAGES - DIRECT LABOR		3,095.00	
400-00-53700-000-600	WAGES - DIRECT LABOR		324.00	
100-00-51420-110-000	CLERK WAGES			657.00
100-00-52100-110-000	POLICE - WAGES			657.00
100-00-53311-110-000	STREETS - WAGES			657.00
300-00-21600-000-238	ACCRUED PAYROLL			3,095.00
400-00-21600-000-245	ACCRUED PAYROLL			324.00
Total			5,390.00	5,390.00
Adjusting Journal Entries JE # 1036		4620.06		
To capitalize cost of new sewer sampling fridge and adjust sewer inventory to actual at 12.31.23.				
300-00-18600-000-379	MISCELLANEOUS EQUIPMENT		729.00	
300-00-53610-000-827	OTHER SUPPLIES & EXPENSES		567.00	
300-00-16110-000-150	MATERIALS & SUPPLIES INVENTORY			1,296.00
Total			1,296.00	1,296.00
Adjusting Journal Entries JE # 1037		4300.10		
To adjust water inventory to actual at 12.31.23.				
400-00-53700-000-640	SUPPLIES		151.47	
400-00-16110-000-154	MATERIALS & SUPPLIES INVENTORY			151.47
Total			151.47	151.47
Adjusting Journal Entries JE # 1038		1200.10		
Eliminate remaining balance in other deferred credits. Amounts are fully amortized in 2023.				
400-00-26900-000-253	OTHER DEFERRED CREDITS		4.64	
400-00-48110-000-421	AMORTIZATION INCOME			4.64
Total			4.64	4.64

Appendix 2 – Passed Journal Entries

Client: **RIDGEVILL - Village of Ridgeway**
 Engagement: **Village of Ridgeway 12/31/23 Audit**
 Period Ending: **12/31/2023**
 Trial Balance: **TB**
 Workpaper: **3700.05 - Proposed Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Proposed Journal Entries				
Proposed Journal Entries JE # 6001		4600.50		
Record estimate of present value of new tower lease.				
400-00-14800-000-000	LEASE RECEIVABLE		1,901.00	
400-00-28800-000-000	DEFERRED INFLOW - LEASES			1,901.00
Total			1,901.00	1,901.00
Proposed Journal Entries JE # 6002		4600.70		
Record estimate of subscription-based IT liabilities. Government-wide only.				
8-00-18000-000-000	Governmental Fixed Assets		9,759.00	
8-00-21000-000-000	Bonda and Notes Payable			9,759.00
Total			9,759.00	9,759.00
Proposed Journal Entries JE # 6003		4400.10		
To record prepaid expenses for 2023 health and dental.				
100-00-19000-000-000	Prepaid Expenses		1,482.42	
100-00-51420-125-000	CLERK EMPLOYEE BENEFITS			1,482.42
Total			1,482.42	1,482.42
Proposed Journal Entries JE # 6004		4210.20		
Record unbilled revenue at 12/31/2023				
300-00-13100-000-000	ACCOUNTS RECEIVABLE		2,443.00	
400-00-13100-000-142	ACCOUNTS RECEIVABLE		1,278.00	
300-00-46411-001-622	MEASURED SEWER RESIDENTIAL			2,443.00
400-00-46451-001-461	METERED SALES RESIDENTIAL			1,278.00
Total			3,721.00	3,721.00
Proposed Journal Entries JE # 6005		5200.20		
Record compensated absences for 12.31.23.				
100-00-52100-110-000	POLICE - WAGES		6,264.00	
100-00-53311-110-000	STREETS - WAGES		656.00	
300-00-53610-000-820	WAGES - DIRECT LABOR		110.00	
400-00-53700-000-600	WAGES - DIRECT LABOR		110.00	
100-00-21000-000-000	ACCOUNTS PAYABLE			6,920.00
300-00-21100-000-000	ACCOUNTS PAYABLE			110.00
400-00-21100-000-000	ACCOUNTS PAYABLE			110.00
Total			7,140.00	7,140.00
Proposed Journal Entries JE # 6006		5100.25		
Record additional community center expenses. The items were recorded to accounts payable and the expenditures were not recognized.				
150-00-55190-000-000	COMMUNITY CENTER OPERATIONS		1,693.00	
150-00-21100-000-000	ACCOUNTS PAYABLE			1,693.00
Total			1,693.00	1,693.00
Total Proposed Journal Entries			25,696.42	25,696.42
Total All Journal Entries			25,696.42	25,696.42

Appendix 3 – Management Representation Letter

June 26, 2024

Johnson Block and Company
2500 Business Park Road,
Mineral Point, WI 53858

Dear Johnson Block and Company:

This representation letter is provided in connection with your audit of the basic financial statements of the Village of Ridgeway ("Village") as of December 31, 2023, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the Village in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 26, 2024.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 7, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

- With respect to financial statement preparation, compiled annual reports for the Wisconsin Department of Revenue, compiled annual report for the Public Service Commission of Wisconsin, fixed asset depreciation schedules, and calculation of lease receivable we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained controls, including a process to monitor the system of internal control.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- There have been no cyber security breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity and others from whom you determined it necessary to obtain audit evidence.
 - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.

- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Village has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the Village is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The Village has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- With respect to the combining nonmajor fund financial statements accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the combining nonmajor fund financial statements in accordance with accounting principles generally accepted in the United States of America.

- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.

(Village President)

(Village Clerk – Treasurer)

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