

GILBERT, METZGER & MADIGAN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Village President and Board of Trustees
Village of Ashmore
Ashmore, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Ashmore for the year ended April 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village of Ashmore are described in Note A to the financial statements. As described in Note A, the Village changed accounting policies related to leases by adopting GASB Statement No. 87, *Leases*, in 2023. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. The implementation did not have a significant impact on the financial statements. We noted no transactions entered into by the Village of Ashmore during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 Village of Ashmore's financial statements were:

- Management's estimate of the unbilled accounts receivable for water usage is based upon the proration of the subsequent month's billing.
- Management's estimate of accrued compensated absences is based on current wage rates which may be different than when the liability will actually be paid.
- Management's estimate of the depreciable lives and estimated residual value of capital assets.

We evaluated the methods, assumptions, and data used to develop the estimates noted above in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures 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 clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. The following material misstatements detected as a result of audit procedures were corrected by management: capital assets and long-term debt.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 August 8, 2023.

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 Village of Ashmore'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 Village of Ashmore'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

We were engaged to report on supplementary information, such as combining and individual nonmajor fund financial statements, which accompanies the financial statements but is not required supplementary information (RSI). With respect to this supplementary information, 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.

We were not engaged to report on the other information section, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

Gilbert, Metzger & Madigan, LLP

August 8, 2023

Village of Ashmore
Summary of Audit Differences
For the Year Ended April 30, 2023

	Current Year Over (Under) Revenues and Expenditures and Changes in Fund Balance/Net Position			
	Governmental Activities	Business-Type Activities	General Fund	Motor Fuel Tax Fund
<u>Unadjusted audit differences:</u>				
FY22 expenditures were not capitalized, corrected in FY23	\$ 5,978.03	\$ -	\$ -	\$ -
Internal labor costs were not capitalized in FY23	(1,778.50)	-	-	-
Cumulative effect (before effect of prior year differences)	4,199.53	-	-	-
Effect of unadjusted audit differences - prior year: None	-	-	-	-
Cumulative Effect (After Effect of Prior Year Differences)	<u>\$ 4,199.53</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Effect on Balance Sheet/ Statement of Net Position			
	Governmental Activities	Business-Type Activities	General Fund	Motor Fuel Tax Fund
Internal labor costs were not capitalized, assets understated	\$ (1,778.50)	\$ -	\$ -	\$ -
Lease agreement with CUSD#1 was not recorded as a right of use asset, assets understated	(634.39)	-	-	-
Lease agreement with CUSD#1 was not recorded as a lease liability, liabilities understated	641.26	-	-	-
	<u>\$ (1,771.63)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>